

MAN OF Change

He may have a legendary surname to live up to. But as the driving force behind a multi-million Rand black empowerment company, **Hlumelo Biko** is carving out his own niche. He is a man inspired by change, as Mike Wills discovers



Hlumelo Biko has plenty on his plate at the moment.

The 30-year-old investment banker is driving one of South Africa's most intriguing empowerment vehicles, Circle Capital Ventures, while continually navigating the inevitable currents that come with being the son of two of the nation's most iconic figures, Steve Biko and Dr Mamphele Ramphele.

The overwhelming impression is that Biko is very comfortable in both roles.

He and his partners started Circle Capital from scratch five years ago and the business is now worth more than R250-million with stakes in MediClinic, 'i to i Technologies' and Edu-Loan, and they run a commodities trading division. As CEO he now works from a spectacular corner office with a sweeping view of Cape Town, but it's a calm space with a purposeful air and there's a quiet confidence rather than any bravado in his bold vision of Circle Capital becoming "an investment bank on equal terms with the best".

With his mother as Executive Chair, the company undeniably has a glittering letterhead and Biko makes no apologies for the fact that connectivity and a broad network of relationships brings introductions, because "ultimately it's only high performance and delivery that will give us the track record we need".

Biko was born after his father's infamous killing in 1977 – his name translates from Xhosa as 'the shoot that grows from a dead tree trunk' – and he grew up in Cape Town. His UCT degree was not business related although he says he was "always fascinated by private equity" and he now works with some of his varsity friends. He headed for Washington DC and a job at the World Bank in 1998, which, he is quick to point out, was "long before" his mother was appointed as one of the bank's Managing Directors.

His part-time studies at Georgetown University led to a Masters in International Finance followed by a return to the Cape and, what he describes as, "a great learning experience with the Peregrine Group doing some pretty hairy stuff structuring deals in different parts of Africa".



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The decision to set up his own company at 25 was based on his realisation that "at some point you have to take the risk and as a young person I had a higher appetite for that risk". He compensated for his age with some heavyweight board members, including Dr Ramphela. He says the business relationship with his mother is successful because "from an early age she treated us as adults and peers who engaged with her without having a patronising relationship and there's a level of respect that's become mutual".

As for the possible burdens of his legendary surname, Biko credits his eldest brother Nkosinathi Biko for "being wise beyond his years and acting as a father figure" and helping him to find "the balance between honouring his legacy and not being overwhelmed by it". He says he is proud to have the responsibility of carrying the name but he "doesn't have to look over his shoulder all the time" because "we have different parts of him in us and we find our own niches and walk different paths and I have chosen business as a way to express myself".

None of which means he wouldn't engage on the political issues I raised with him.

Biko is hugely concerned about the recent outbreaks of xenophobic violence and says the response must not "just be technical and legal but also moral and appeal to the highest common denominator in all of us". He's also convinced that we must adjust our expectations upward on growth and not be caught under-compensating as we have in the past but that the growth we need to significantly shift unemployment is more like nine percent, which, contrary to the views of COSATU and the Minister of Labour, will only come about if our laws encourage small businesses to take on more workers.

On BEE, Biko says that "legislation can never work exactly as intended and we have to deal with that, but it is the most successful implementation anywhere and we have turned the language from whether we must

do it to how to do it and that's the most important jump". He believes there are "pockets of excellence but real shortfalls on procurement, which is where the massive wealth transfer will happen by lifting black small businesses into the big league".

Although he exudes calmness, Biko readily admits that the huge amount of business travelling he does is stressful. He works on outward flights but tries to make a rule of sleeping on every return journey, describing himself as "the guy snoring in 6A". He estimates that more strategic use of videoconferencing has reduced his flying by 30 percent.

As we close the interview I rush him through a few personal details. He is married to Leila Akaloun, a Moroccan fellow student from Georgetown, and they live in Cape Town but he heads for his traditional home base of the Eastern Cape whenever he can – "anywhere on the coast from East London to Plett" – and rates Singapore and Phuket as his favourite international destinations, especially as he loves all kinds of Asian cuisine. His music tastes are eclectic but at heart he's a Motown man favouring its classic expressions or contemporary versions by the likes of Erykah Badu.

Biko's a self-confessed "magazine junkie" including regular fixes of Fortune and The Economist but his most influential business reading was Benjamin Graham's classic book *The Intelligent Investor*.

On his office wall there are photos of handshakes with both Bill and Hillary Clinton at the White House. While he respects Hillary's campaign for the Presidency, he describes Barack Obama as "the most unique candidate in history" and is clearly excited about the kind of change that is in the air. There's nothing surprising in that. Radical change was part of Hlumelo Biko's life even before he was born and he probably understands better than most how to deal with its challenges and to take advantage of whatever opportunities it offers.