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Video Transcription: Exploring the Business World



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Hi, my name is Paul and my assumption is that you are a commerce student. I would hope that you would be interested in the business world but maybe you are not, maybe you find it daunting, you do not know where to start when you look at all the websites and the newspapers and all the information out there. This video is going to be all about equipping you to get to grips with what the business world is all about, getting into the shoes of management, thinking it through from an auditing perspective, from a regulation perspective, just really reading news and understanding how that fits into your studies. I am going to start with an analogy. Imagine you were studying to be a vet, there is only one place in South Africa that you can do that and you are into your room, you are studying your test book and you are finding out all about animals. Imagine your friend runs in and says 'Oh my gosh, look outside, there is a camel, there is some camel, I do not know how it ended up here but there is a camel'. And imagine that you looked at your friend and went "Ah, I do not know hey, that might not be in the exam. I am just going to stay and sort of keep reading my textbook".

I think you would look at that person and say that there is something wrong. You would definitely pick up that maybe they are not studying the right thing and certainly they have not fully understood that what they are studying actually occurs in the real world, and that it is possible to read the textbook, sure, but even more than that you can actually examine what is going on in the real world. And in so many ways that is a lot like commerce students that are hiding, reading the textbook, getting into the detail but are also not looking at what is happening in the business world, understanding what is going on with companies in South Africa and across the world. I hope you would look at that and say that is not a very good answer if you are studying to be a vet and you are not interested in animals. I hope you would look at that and say maybe up until now I have been a commerce student, not very interested in business and I need to maybe start to explore this world a little bit better.

So I have got a few steps that are going to help you to do that. The first step, I want to really encourage you to do, is to read about something that interests you. I am not telling you to read the newspaper from cover to cover; all I am saying to you is, find something that interests you. Where do you shop often, what kind of products do you use, who do your friends and family work for, who have you maybe had a part time job with? Find something, some business, some industry that excites you and interests you. That is a great place to start. Once you have got something that interests you, you will find that reading on that becomes a lot easier. So, start with that.

The second step is to now go and get some more information about that industry and about that company. There is a lot of information available to you. If you have got access to the internet I really would recommend going and using Google. But not just Google search, using Google news to research the latest news items that are relevant for your company or your industry. For those of you that are on Twitter, there are some very good people that you can "follow" to give you interesting business news as you go along. I would, of course, encourage you, if you have access to newspapers, to read the business report. Do not just stop at the sports and the entertainment section, make sure you also get to the business news and give it a read and see if there is anything there that interests you. YouTube has got videos, and a whole bunch of business websites exist that can really give you amazing information about what it is that interests you.



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Go and get that information now about something that interests you and then ask questions of it, do not just be a passive recipient, read it and ask questions. Number one: is there something that you do not understand – a word, a phrase, go and research that. Do not just move on and hope that it does not come up again. You have to go to understand the language of business, and by searching a bit harder you are going to increase your business vocabulary and that is important. And then I would say, ask some questions, think from different perspectives. What would management think about this issue, what would employees think about this issue, what does the tax man think about this issue, how about the auditor, are there some auditing issues that this affects? How about an investor, would an investor be excited about this news or disappointed about this news? There are so many different perspectives and maybe in your first year, you do not know about all these different perspectives. But as you study as a commerce student you are going to be better acquainted with each of these different views and that is going to help you in your studies.

You have found something interesting, you have researched it, you are asking a whole bunch of questions about it and I would now say for those of you, who really are interested in the business world, go and search on the company's website, if it is a company that interests you, and look under the investment centre, go and look for the integrated report. You will find it freely available if it is a listed company and in the integrated report, you will have an overview of how management sees the business. It will give you an understanding of how it makes money and how it operates. You will be able to read what the chairmen of the board have to say about the business. The CEO will also tell you about how things have been going, so will the chief financial officer. Great reports to read and gather further information about how this business sees itself and how it has been performing. You will also see ticked in there the financial statements but do not be too quick to get there.

Do not forget to also go and look at the risk register, which documents all the risks that the board has identified and how the company is looking to reduce the impact of those risks. Strategy, risk management and governance, it is an important topic and there is a video hopefully that you have watched on it. And all of these issues come tumbling out of the integrated report and that is why it is such a great resource for you. And then of course, there will be the financial statements and the opportunity to make sure that you understand the ratios and that you can see the impact that all of this surveillance has had on the financial performance and the financial position of the company.

What a great bunch of resources available to you: business websites, newspapers, internet resources, integrated reports. I hope that you are going to be curious having watched this video and that you are really going to try and enter the business world a lot more than you previously did. Do not be like that veterinary student that is not interested in animals. Oh my gosh, that would be so sad for all of us. Go and understand this world that you are entering. Take baby steps, start with what interests you and by your final years, we would be hoping that you would be very comfortable with what has been happening with the South African news. I hope that we have encouraged you and do not see this as something on the sidelines of your studies. Increasingly more questions are requiring students to understand what is happening in the business world. So I think what you will realise is that what we are giving you here is not an extra-mural activity, no. This is going to equip you when you guys write your big papers towards the end of your studies.

All the best.