

Bright spark sheds light on IT spend

SUREN NAIDOO

MDU GAMA – who grew up and cut his teeth as a chartered accountant in Newcastle in KZN – made history last week by becoming the first person to qualify with a PhD (Finance) degree from the University of Johannesburg (UJ).

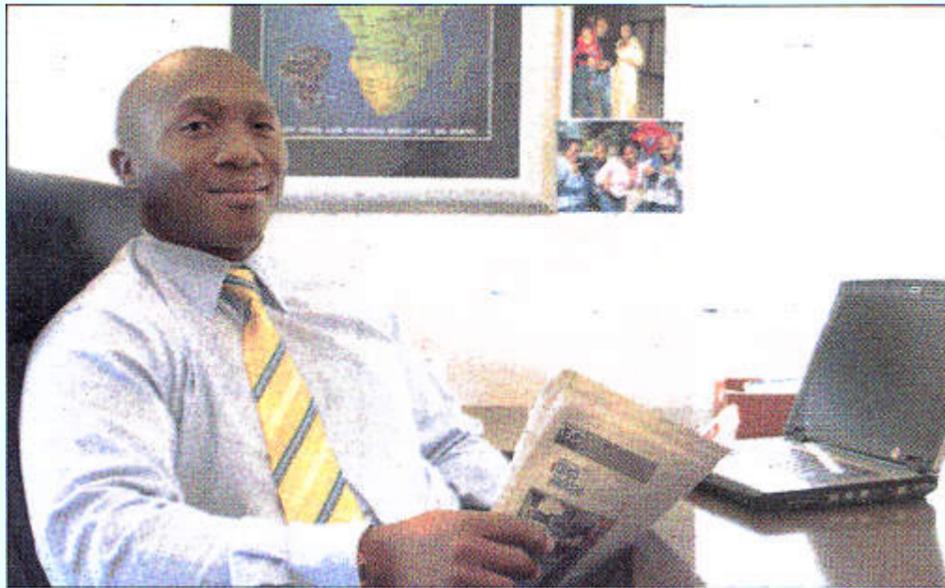
Gama, who is the chief executive of Safika Asset Finance and a director of several companies across South Africa, was awarded the PhD for his groundbreaking research focusing on government capital investments in information technology (IT) and the associated risks.

Speaking in an exclusive interview with The Mercury in Durban last week, 41-year-old Gama said he did not want his new research to gather dust. He hoped it would help shake up the R60 billion South African IT investment market.

“My research showed that currently only about 27 percent of IT projects undertaken by the government sector are done on the basis of adequate risk and return on investment (ROI) analysis. This is because current financial models are just not adequate – they were developed for an industrial age and now we are well and truly in the age of information technology,” he said.

“I discovered during my research that South Africa spent more than R60bn on IT in 2009, yet decision-makers often made those huge investment decisions without a clear idea of whether they make economic sense or not. This is because they are relying on financial tools designed during the industrial era and these tools don’t necessarily work for the evaluation of IT investments.

“And while my research highlights the South Africa situation, it shows that this is an international trend with only 30 percent of IT in-



Mdu Gama has made history by becoming the first recipient of a PhD degree in finance awarded by the University of Johannesburg. Gama is the CEO of Safika Asset Finance and grew up in Newcastle, KZN.

vestments worldwide applying risk analysis. This is according to recent global research and is chilling information with far-reaching implications for business.

“However, my research proposes a different approach to the more accurate measurement of IT investments. I present tools that I think would be helpful in the enhanced evaluation of IT investments.”

Gama reiterated that he did not want his research to gather dust in the university library, but to trigger debate about IT investment in South Africa, in both public and private sectors.

“This is a huge achievement for me, especially being the first person – black or white – to get a PhD in finance from UJ and its predecessor Rand Afrikaans University. For me it is not about boasting a fancy degree, but using it to make a difference in South Africa.

“I always wanted to pursue this goal and want to get another PhD... It’s about inner fulfilment. I don’t

want to be seen as a black person only chasing money and being successful in business.

“When my great-grandchildren talk about me 100 years down the line, I want to be remembered as someone who contributed to the body of knowledge in South Africa.”

Born in Soweto, Gama grew up and was schooled in the Madadeni township of Newcastle, which is today still the family home.

“KwaZulu-Natal is very close to my heart. It is where my roots are, both in terms of family, early education and starting my career as a CA. I still have family and friends there, so I come to KZN often,” he said.

The son of a truck driver and a stay-at-home mom, Gama founded Safika Asset Finance in 2002. The firm now has Standard Bank and Liberty as fellow shareholders, with Gama owning 74 percent equity in the business.

Gama’s academic achievements

are remarkable in light of the fact that he grew up during apartheid, when educational opportunities for blacks were few and far between.

“I briefly attended a South African university where the maths and statistics lecturers told us that science and finance were not for blacks,” he said.

Gama then went to the University of Lesotho where he graduated top of the class with a BCom in accounting and as the Lesotho Institute of Chartered Accountants’ top accounting student.

He also boasts an MBA from the former University of Durban-Westville and a USAid scholarship stint at Cornell University in New York.

Gama started his career in Newcastle with Smit Oosthuizen, a firm of chartered accountants. He also held positions at Unilever and the Spar group in Durban before being head-hunted in 1998 by Australian-based asset-finance company RentWorks to assist in setting up a South African operation.

