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Report on the Small computer Distribution Company
Delegation Visit to the United States of America, 13 - 22
August 1991.

Introduction: The purpose of the trip was to visit with representatives of major computer companies in the United States, to solicit tangible support for the Small Computer Company (SCDC) divisions, consisting of (i) a commercial enterprise; and (ii) a non-profit information technology training institute. The preliminary proposal which was prepared in South Africa was used as a guide but not shared with the companies with whom the delegation met.

The delegation consisted of Lester Peteni, Andile Ngcaba, and Vusi Khanyile. Enos Mabuza, who had been scheduled to be part of the delegation, was unable to join them in the United States. Also with the delegation was Sebiletso Mokone Matabane, who served as education consultant; and Bruce Camber of the AS/3X Group, who served as facilitator for the delegation.

The group met with several company representatives in New York and Boston. The Washington visits were cancelled due to a hurricane which made travel impossible on Monday August 19.

All meetings were highly informative and most companies were receptive to the ideas presented by the delegation.

In order to gain maximum benefit out of its visits, it is imperative that 8000 act very quickly and decisively to follow up on the discussions that took place.

Meetings with companies:

1. Merck and Company: Vusi and Lester met with Lawrence Branch, Director for Equal Employment Affairs.

The meeting was very warm, and the company showed sensitivity to the South African situation.

Merck is one of the largest pharmaceutical firms in the US; the discussion centred on exploring the possibilities of trading with them in the near future, and their assistance with the Institute.

Merck is already linked to a Barlow Rand subsidiary until 1998 (they

only withdrew from RSA three years ago, and this contract dates from before that point).

Merck mainly showed interest in the Africa Institute of Technology, viewing this as a way to building a working relationship, from which a business relationship could develop in future. However, by contract any support given by Merck must be via the Barlow-Rand subsidiary.

Merck asked that we prepare and forward to them immediately a proposal showing Merck's potential role in the Institute. They felt a business proposal could be developed and submitted at a later stage. Merck felt they needed to formulate their company's reinvestment policy.

2. Port Authority (New York City/New Jersey): Vusi and Lester met with Anthony E Shorris, Deputy Executive Director/Policy and Program Operations, and William Chapman, an economist with the Office of Business Development. Discussion was directed mainly to the ANC rather than SCDC.

The Port Authority representatives indicated that they are currently attempting to establish a training programme for the ANC in middle and senior management positions; while the proposal has been submitted, there are no candidates yet put forward from the ANC, although they have been informed that they would work through the Department of Human Resources. (Document on project attached; see MFI, appendix 1.)

The programme could be useful if properly run; the key aspect being the selection and screening of candidates.

The second area of discussion focussed on the forthcoming trip of New York Mayor Dinkens to South Africa; which will include teams representing special interest sectors, including business. There was concern that adequate preparations be made for business to give complete proposals in the area of business development for the benefit of the democratic community.

3. Open Software Foundation (OSF): Vusi and Bruce Camber met with David Tory, President.

The OSF is a not-for-profit organisation, accountable to a number of computer companies and funded by them; its objective is to develop software which is applicable to the whole range of available hardware (ie. to ensure all software they design is usable on all machines). Its goals include to provide technology on a "fair and equitable" basis. OSF began research and development in 1988, with a staff of 300.

The delegation explained the concept of the African Institute of Technology, and explored OSF participation in AIT software development, particularly with a view to build into the Institute the capacity for software development.

OSF showed great keenness; while they are unable to offer money, they can offer training and fellowships; and are prepared to be part of a US support network for the institute.

OSF has asked us to give them a clear proposal, with what we require from them, as soon as possible.

4. Digital Corporation: Delegates met with Ron Payne, Vice President for Corporate Purchasing.

Payne gave them a thorough briefing on Digital's politics and strategy, with advice on how to formulate a business proposal to Digital. The proposal should be made through the European headquarters in Paris, via the vice-president for the Country Development Group, Alberto Fresco. It should be a short proposal, outlining the two major themes of business and training; it should quantify the number of Digital machines required, and the man-hours needed for each; and list other technical assistance sought from Digital. (Addresses for contacts were provided.)

5. Stratus:

Stratus deals with big machines, building critical on-line computers, especially for banking systems, which need little technical support. Stratus is ten years old, and one of the fastest growing computer companies.

Stratus makes two main systems:

"System 88" is sold by IBM; it is not available currently in SA.

"CPS/32" is distributed world-wide by Olivetti, and in South Africa by Olivetti RSA.

Both systems are also sold direct by Stratus (but not in SA).

The delegation presented the concept of the Institute, requesting: funding, technological collaboration, assistance in training a crop of black South Africans with technical skills to run and maintain products; and the possibility of establishing production within South Africa.

The response was that funding and technological collaboration are possible, and that we should submit detailed requests.

In the long run production may be considered, although not in the immediate future.

Stratus would prefer to work through their RSA subsidiary, Olivetti; however they agreed for the moment to communicate with us not through Olivetti RSA but only through Olivetti Italy.

6. JP Morgan: Vusi and Lester met with the president and four vice-presidents of JP Morgan, which is one of the largest merchant banks in the US.

Broad discussion occurred around the present status of the SA economy, and the role of financial institutions in reconstructing the economy. They gave a presentation of JP Morgan, and indicated a willingness to train black South Africans for senior management functions in banking, especially merchant banking.

7. IBM: All members of the delegation, plus Bruce Camber, were warmly received by IBM in Manhattan.

Discussion focussed on the Institute. The delegation explained the concept of the Institute.

IBM has a few community education projects currently in South Africa, and an internship programme for SA students in the United States. A video of the internship programme was shown. the delegation was invited to visit an IBM funded community education project in New York City which is managed by the Urban League.

IBM may in the near future fund a computer literacy project in South Africa which has been proposed by the AME Church. IBM representatives will visit SA some time in September to assess the feasibility of funding this project; these representatives have agreed that they will also visit SCDC while they are in SA. The company would be very interested in helping to fund the Institute; and even suggested they try to expedite the funding. IBM would not want to be the sole funder of the Institute, however, but would prefer joint funding with other US corporations and foundations.

IBM is very concerned that doing business in SA at this time may hurt its business with cities across the US, which have anti-apartheid ordinances.

It is clear that IBM is eager to come back into SA; it sees support for a non-profit ANC supported project as beneficial to the company's future here.

The company representative promised to fax a sample copy of a contract it usually signs with community organisations it funds, via Bruce Camber's office.

8. LOTUS: The full delegation met with Robert P Schecter (Senior Vice President) and two members of his staff. Both the business venture and the institute were discussed.

Lotus understands the delegations concern for and interest in significant black participation in information technology.

Lotus would have no problem supporting the Institute.

Lotus indicated that it would have problems giving exclusive rights of distribution to SCDC although it would be open to special conditions such as exclusivity for (a) a limited time period; (b) specific product (eg NOTES software); and (c) government distribution.

SCDC may want to look into the Value Added Resale Market, which has great benefits for customers and is generally good for businesses, as it incorporates sales with training.

SCDC will strongly support compliance with internationally recognised copyright laws and intellectual property rights even under the present laws in South Africa.

There was consensus that the two groups should meet again, possibly no later than the end of September, in South Africa; to discuss areas of possible collaboration.

There appears to be a strong and clear interest by LOTUS to work with this particular group because of its ANC connection.

9. Houghton-Mifflin Company: Andile and Sebiletso met with Mr. Vana-Paxhia, Vice-President for Software Development, and Ms. Pegeen M Wright.

Mr. Vana-Paxhia indicated that his office would be willing to provide SCDC with information on computer based curriculum development and samples of their children's educational software. However, any requests for grants must go through their office in charge of corporate giving, and that his office was prohibited from even discussing the issue. While not negative, the meeting was not very fruitful.

8. A T & T: The meeting with AT&T was scheduled in Washington DC, at the US State Department offices. A hurricane which disrupted air travel prevented AT&T representatives from attending; and the meeting was cancelled. (It was felt to be incorrect for the delegate to meet with State Department representatives alone, when the purpose of the meeting had been to talk to AT&Ts)

Meetings with Prof. Seymour Papert, of the Massachusetts Institute of Technology.

Prof Papert is one of the leading international figures in the area of computers and education. He is also well informed on South African educational problems, as he was born in Swaziland and educated at Wits.

Prof Papert argued that: computer education must be made relevant to learners of all ages; that computers should empower individuals; and computers must be made as accessible as possible.

Discussions centered around the role of the proposed Institute in restructuring education; meaningful internships for students to gain practical experience; and possible ways for the community to benefit from the Institute's internship programme. Papert briefly discussed his involvement with the computer education project for children in Costa Rica.

Papert would be very interested in working with the proposed institute. The institute could benefit from this because of: his international reputation (as an aid in funding); his progressive ideas on computer education; and his experience in other cultures.

Andile and Sebiletso later visited Papert's Media Lab at MIT, and discussed the lab's work.

Meeting with Bruce Camber to map out future plan of action, and draft funding proposals for IBM:

The delegation met with Bruce Camber to discuss:

- development of a proposal to fund the planning of the Institute;
- the need for an office in the US to follow up on many of the discussions that were started by the delegation;
- development of time-lines related to the planning and implementation phases of the Institute;
- the "one million plus" goal: to have over one million students become computer literate within five years;
- the establishment of a computer teacher volunteer organisation whose members would volunteer their services in neighbouring countries and eventually in the United States through the Sister Cities programme.

Bruce Camber wrote a draft of these proposals, which was revised.

The delegation agreed to take the draft proposal back to SA to discuss with other SCDC partners, and to develop a proposal that could be submitted to IBM and other organisations for funding. Bruce and Sebiletso were to prepare a draft budget for the proposal.

Summary:

The visit of the SCDC delegation to the United States was very productive. Most of the people and companies we met were eager to talk and open communication with the ANC, and to discuss future engagement in South Africa.

Practically all of the companies talked about the challenge of entering or re-entering the South African market. Most companies were concerned about negative public opinion in the US, especially from city governments if they should do business in a post-sanctions South Africa. These companies seem to be looking for an entity to support which would be credible in both South Africa and the United States, enabling them to demonstrate their support for democratic change in South Africa.

It is also obvious that these companies and others will re-enter the South African market with or without ANC support, although this latter may not be their preference.

It is imperative that the ANC act with utmost speed and skill to have the upper hand.

On the one hand, SCDC must develop immediate proposals to gain maximum support for the proposed Institute. This Institute will certainly provide these companies with a credible non-profit organisation to support.

On the other hand, the democratic movement must urgently consider the development of guidelines and structures to guide international businesses looking to reinvest in South Africa. This might include establishing a mechanism in the United States for companies wishing to get into South Africa to get information on codes of conduct, investment opportunities, etc. that would be acceptable to the democratic movement.

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