Vodacom and GSN Digital:
Two Companies, Two Continents, and Two Managers in the Technology Industry

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This paper will compare and contrast Vodacom and GSN Digital through the eyes of their middle management. It will examine the company structures, values, and cultures and analyze each manager's values and management approach. Focusing on the individual managerial styles, this paper will look at the effect on their teams and working environment, and how their styles support the company's business needs.

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Vodacom and GSN Digital: two companies, two continents, and two managers in the technology industry. Via exploration of their similarities and differences, this paper will look at these companies through the eyes of their middle management. This paper will examine the company structures, values, and cultures and analyze each manager's values and management approach. Focusing on the individual managerial styles, this paper will look at the effect on their teams and working environment, and how their styles support the company's business needs.

2   Companies and Industry

2.1   Vodacom

2.1.1   Telecom Industry Overview

In many countries, telecommunications mobile voice and data services are now mature. Yet, there are markets that are still years from reaching voice services' saturation. South Africa is one of those markets (Exhibit 1) and this presents an enormous opportunity for the companies in the industry and society: [1]

> According to Nielsen, "Africa is in the midst of a technological revolution and nothing illustrates that fact than the proliferation of mobile phones. Consider this: more Africans have access to mobile phones than to clean drinking water. In South Africa, the continent's strongest economy, mobile phone use has gone from 17 percent of adults in 2000 to 76 percent in 2010. Today, more South Africans – 29 million – use mobile phones than radio (28 million), TV (27 million) or personal computers (6 million). Only 5 million South Africans use landline phones." [2]

2.1.2   Vodacom as a Company

Vodacom is a mobile telecommunications company headquartered in Johannesburg, South Africa. Positioned to take advantage of the explosion in the mobile technology in Africa by providing proven data and voice communication services to the rapidly developing market, the company was founded in 1993. In addition to the presence in South Africa, Vodacom has operation networks in Tanzania, the Democratic Republic of Congo, Mozambique, and Lesotho (Exhibit 3: History of Vodacom). In 2012, the company had 47.8 million customers, reported US $8.25 billion in revenue, and employed 5,238 employees. [3]

Through the range of its products, Vodacom provides contracted or prepaid services for voice, messaging, and data. Its business solutions include Internet protocol (IP) voice, managed networks and infrastructure as well as Internet access, hosting, and storage. Mobile and voice service revenue is generated through outgoing and incoming traffic, international roaming, incoming visitor roaming, national roaming, and carrier voice services. The company attributes its success to business decisions being made in collaboration with those that stand to be impacted from its actions. [4]

2.1.3   Vodacom's Organizational Structure

Vodacom has a centralized organizational structure. The group's executive and senior management hold the majority of decision making power and maintain tight control over the company's departments and divisions. Vodacom's board of directors provides the company with leadership and strategic vision. Vodacom's centralized organizational structure is designed to do two things: first, to focus on Vodacom's key commercial and financial priorities, customer and commercial strength, leadership in data, brand advocacy, cost efficiency and shareholder returns; second, to simplify the company's organization by increasing the span of control and simplifying the managerial governance. [5] Vodacom has a unitary board of 13 directors, with 3 executive and 10 non-executive directors (Exhibit 4: Organizational Chart of Vodacom).

2.1.4   Company Values

Vodacom praises itself for its business principles and espoused values of Speed, Simplicity, and Trust, which form the basis of "The Vodacom Way". This creates a comfortable and productive environment by aligning employees with corporate expectations. Based on Vodacom's firm belief that its people are the heart and the soul of its business, the company views its employees' skills and involvement as a primary factor of company's ability to realize its vision of connecting people, creating possibilities, and changing lives. Vodacom places a great emphasis on defining clear career paths, promoting knowledge sharing across the company, and building the coaching capability of its leaders. It encourages open and honest dialogue and promotes collaborative working practices.[6]

Vodacom's commitment to customers keeps it focused on improving the efficiency of its operations, finding more affordable ways to connect people and offering value-add new services. Aiming to do more with their stakeholders, it celebrates success and diversity; thus, building an affinity with its brand.[7]

2.2   GSN Digital

2.2.1   Gaming Industry Overview

Some analysts have forecasted that the global market for video games is expected to grow from $67 billion in 2012 to $82 billion in 2017. [8]

There have always been games for PCs, Macs, and notebooks; however, in the history of computers' existence, gaming has never been close to the usage behavior demonstrated in today's mobile market. Currently, gaming is leading in the three most important consumer usage behaviors on mobile devices (see table below). [9]

Smartphone & Tablet Comparisons: by Activity
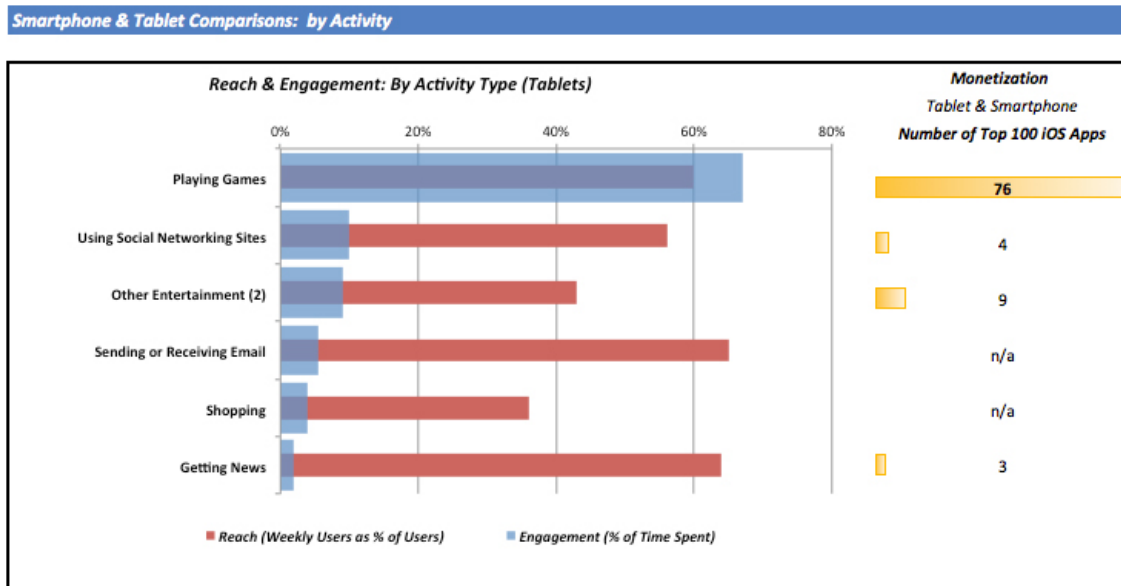
2.2.2 GSN Digital as a Company

Game Show Network (GSN) is an American cable television and direct broadcast satellite channel dedicated to game shows and casino game shows, which was launched on December 1, 1994. [10] The company's mission is to provide entertainment anywhere, anytime, in any form. When it comes to casual games, GSN believe they are the "best 5 minutes of your day". With its focus on "Players First", the needs and the preferences of the players are factored into the company's every decision and used to create top social game experiences across multiple platforms, such as television and WebMobile.

In 2007, with the acquisition of Toronto-based FUN Technologies by the Liberty Media, the operator of the popular online gaming website WorldWinner, GSN began its expansion into the online gaming world. Envisioning the potential for cross-promotion for game show properties between the two services, Liberty promptly began to promote the site as an integral part of the Game Show Network, aspiring to transform GSN into a recognizable brand for skill games. [11]

Using the momentum provided by the WorldWinner merger to launch a social app on Facebook, now known as Games by GSN, along with competitive tournaments, it featured skill and casino games. Later on, in 2011, the company made a strategic decision to go into Mobile space. Currently, its revenues from mobile games account for less than 5% of all revenues; however, in the next two years, the company

is expecting to quadruple this area and looking into a considerable workforce expansion of 25% by the end of 2013. [12] GSN Digital, a "work hard, play hard" interactive division of Game Show Network, a privately held company, is a top 10 ranking game publisher, and one of the fastest growing on the market. With the headquarters in San Francisco, CA, and with parent companies such as Sony Pictures Entertainment and DIRECTV, it has the advantage of an incredible marketing power that comes with such heritage. Along with its legacy, GSN Digital has a large development pool, which allows it to create many products and distribute those to 75 million households.

2.2.3   GSN Digital's Organizational Structure

GSN Digital is a collaborative, team-oriented workspace, which thrives as a decentralized organization. With its President and 15 senior colleagues taking the helm, the decision making process is distributed with departments and divisions having varying degrees of independence and decision power (Exhibit 5: Organizational Chart of GSN Digital).

Currently, the company is in its growth and transition phase. It is focused on identifying and listening to its customers and quickly responding with fast time to market product development, which will attract new and retain its existing clientele. It is not a broad based market yet, but it is growing and attracting the youthful population. GSN customers are passionate about games, some are cult-like in their following. The company works to identify its customers' needs and promptly respond with targeted incremental changes to improve their customers' experience.

2.2.4   Company Values

"I like being a part of a brand that continues to expand into new territories while still focusing on providing great entertainment to the masses. The fun, creative atmosphere, and the great people in the office makes it easier to come into work every day," states the company's Player Services Manager on the GSN corporate website. [13]

Influence at GSN is directly related to performance and achievement. The most promising areas for growth drive the strongest influence in the company, and the group with the best and the quickest path to revenue will have the most influence. People that demonstrate that they can get things done are treated

with the most respect and given opportunities to make larger contributions to the company. In this way, the company has an entrepreneurial spirit, as the teams have the ability to generate their own successes through their creativity.

GSN has a very youth attitude consistent with the market it is serving. It is open, creative, and technical. Having fun at work is an important part of the company culture, as well as creating innovative products. GSN Digital pushes the envelope of traditional professional behavior with employees using urban slang and drinking beer in the office. This atmosphere is geared to the specific, younger and tech savvy gamer employee that the company wants to attract and retain. To inspire ideas, employees are encouraged to play games during working hours; the latest technically advanced computer equipment and high definition screens are plentiful, and mingling and socializing are encouraged in the interest of collaborative creativity.

3   Managers' Insights

3.1   Vodacom's Sam Gabi

33 years old Sam Gabi is a midlevel Business Systems Manager at Vodacom. He is responsible for the company's ERP systems and has four direct reports who are systems administrators (Exhibit 4: Organizational Chart of Vodacom). Sam has been with the company for five years in the same role and his reporting aligns to the Head of Department of Corporate Applications in IT. While Sam's job title has remained the same, the nature of his role changes dynamically to adapt to the constantly changing technology associated demands.

Having worked in the US and Africa, during the interview, Sam was able to share his views on the differences between the business operations in these countries. He felt that the interview questions (in Exhibit 6) were "very American" and based on a "Jack Welsh approach to management". In Sam's opinion, American businesses are much more open and welcoming of employee feedback directed up. He believes it is different in South Africa because decisions are typically dictated from the top without employee involvement, and the decision process at the management level is unknown to the majority of the employees. He further believes that to succeed, Vodacom relies significantly more on its senior

management than most American companies, where influence is spread wider across the organization. While the values specified in "The Vodacom Way" seem to suggest that the organization is democratic, Sam believes the reality at the operational level is different; instead the guiding principle is, "This is what needs to be done; make it happen."

In Sam's view, compared to most American companies, South African companies have a long way to go to improve talent management and the development of people. "While American firms focus on retaining their talent to avoid the continuous loss of that talent to competitors, in South Africa, differentiation does not occur based upon talent," says Sam. "At Vodacom, being politically savvy is more important than the talent." Sam believes that a Steve Jobs would not necessarily get ahead at Vodacom, as, for advancement, knowing how to "talk the talk" is valued more than creativity and intelligence.

Citing recently observed leadership focus on cost cutting resultant primarily from the increasingly competitive environment the company operates within, Sam is concerned about the reduction of employee morale, when valued team building activities such as group dinners have been cancelled.

As a manager, Sam has an open door philosophy of management. He sets and measures the objectives for his team, performs employee appraisals, and takes corrective action wherever necessary. Sam makes decisions for his team, but allows group participation for less important tasks; otherwise, he expects the team members to follow his directions. While he is happy to provide his employees with flexibility in their work schedules, he expects them to meet their objectives. Sam motivates his employees by creating a vibrant enthusiasm for "the mission" and gives them flexibility in the work environment as long as they meet their objectives for the day.

As a leader creating alignment and communicating with his employees, Sam defines fair individual and team's objectives to judge the performance at the end of the year. Following the appraisal, performance improvement initiatives are put in place and the result are reviewed the following year. Such process supports the company's constant pursuit of continuous improvement, highlights accomplishments of its employees as well as identifies whether the training is necessary.

When requested to describe the company culture in five words, Sam portrays it as relaxed, dynamic, innovative, competitive, and understanding. He, however, points out the limited flexibility, as the organization expects employees to follow directions from the top. Sam believes that the organization is poor on communication with employees being instructed what to do. There is no room for open

discussions, and more often than not, there is no room for negotiation; there is a strong focus on cost cutting, and there is no focus on innovation. Yet, in spite of these boundaries, the employees manage to have fun on a daily basis, and the working environment is relaxed with the office filled in with joking and laughter. In Sam's opinion, his management approach works in the context of Vodacom.

3.2   GSN Digital's Dave Smith

Dave Smith, a 38-years-old Mobile Software Engineering Manager at GSN Digital, is responsible for leading a team of twelve in supporting the software development (Exhibit 5: Organizational Chart of GSN Digital). Dave reports to the Director of Engineering and works closely with the Executive Director of Product Management. Dave is a midlevel manager, and while he does not have Profit and Loss responsibility, he is responsible for the budgets allocated for his team. Coming in to manage and to turn around "one of the worst teams in the company," Dave has been in his role for one year. As a leader, Dave is justifiably proud of his accomplishment; his team is now considered one of the best in the company.

Dave's leadership experience is based solely on the software development in the United States. Dave offers challenge-reward incentives within his team. He recognizes and encourages teamwork and he mentors and rewards the employees that are interested in continually challenging themselves. He does not appreciate what he defines as "political BS", and during the interview, reacted very negatively to that line of questioning. According to Dave, he does not have a tolerance for corporate politics and sees it as a trait to be discouraged, not rewarded. Dave likes to "tell it like it is" to his team and senior management and does not like to "sugar coat" news. It appears his perception of being "politically savvy" is one of distaste.

Dave believes that his directness with the team and superiors is appreciated and that it has been instrumental in his success. He describes his motivation style as "keeping the BS low and the cool tech on the horizon" for his team. He values trust and respect; he makes it a priority to keep his team informed and follows through on his commitments to them. Under his guidance, he has seen his group become a high performing team. Dave's management style incorporates many of the concepts outlined in the *Harvard Business Review* article by Rob Goffee and Gareth Jones "Leading Clever People", [14] he certainly portrays himself consistent with being a "benevolent guardian" of his team, as he tries to

minimize administrative distractions, coaches and supports them and creates an environment that will encourage the innovation.

When requested to describe the company culture in six words, Dave depicts his company's culture as open, evolving, dedicated, scrum, technical, and fun. He believes that his management approach fits in the context of his organization; he leads a technically gifted team; and he provides them the flexibility to achieve their goals while having fun and intellectually challenging days. This is harmonious with the needs of GSN business model, which is positioned to listen to the market and the most dedicated customers, and to react to the feedback by innovating and creating even more exciting new products.

4   Company and Manager Compare and Contrast

4.1   Organization Structure and Decision Making

In comparison, although Vodacom and GSN Digital operate within different industries, which affect their organization and structure, Vodacom represents a more centralized organizational structure, whereas GSN Digital is a more decentralized organization.

While Vodacom is delivering an established product, and the need for telecommunications in South Africa is providing a profitable marketplace, GSN Digital is catering to a much smaller market with very specific interests and needs, and thus, having a strong customer interface to understand the developing needs and provide the innovative solutions is imperative. Decision-making levels are aligned with and optimized for each business' needs. Within Vodacom, consistently with making cost-reducing decisions, the decisions are made at the high levels of the organization. In contrast, decisions at GSN appear to be most effective when made closest to the customer, as customer needs and desires are at the center of every innovation.

Although freedom to be creative is important in the GSN Digital environment, in order to create lean and efficient environment needed to drive cost out of deployment of mature products and services, Vodacom needs standardization and commonality across its business. Decisions must be made and implemented consistently to get scalable returns, and making decisions at the company leadership level delivers such possibilities. In contrast, GSN Digital allows creativity in its decision making process; thus,

fostering a responsive development environment and providing a quick time to the market for their products.

4.2   Values of the Companies

The significant difference between Vodacom and GSN Digital drives their values and culture. It could be attributed to the divergence between the developing and the first world dichotomy: basic infrastructure services versus leisure market. Through the universal availability of mobile and internet services, Vodacom with its infrastructure and services is delivering a noteworthy change to the lives of South Africans. Such services have a profound effect on the local society and its economy, and must be done effectively and efficiently in order to remain affordable to the masses while still profitable for the company.   Vodacom understands this and is proud of its achievements and contribution to the improvements in the quality of life of many. The more traditional organization structure with a focus on cost reduction ensures that Vodacom's mission is executed with the maximum efficacy. On the contrary, GSN operates in the leisure market, which is centered on disposable income as opposed to economic necessity. GSN's mission is not to help society, but to create innovative games for its entertainment. In order to create these games, they need creative people. In order to thrive, GSN has crafted their environment to nurture such creativity. The organizational culture welcomes employees who need to express themselves by thinking outside the box. The value of the products is closely tied to the creativity of the employees, and ultimately, to the success and the profitability of the company.

Vodacom and GSN have a very different approach to their talent development. Employees at Vodacom have a strong desire for job security, and typically, are long-service employees. According to Sam, employee talent is not featured in the company objectives or recognized by management. Sam does not see a strong emphasis on talent development and believes the organization does not promote a talent-based differential reward scheme. Such approach contrasts with the one at GSN Digital, which competes to attract the brightest technical software engineers and gamers and publically highlights developers' achievements. GSN provides countless opportunities for employee development, including but not limited to the attendance at conferences and the memberships in the trade organizations. Due to its dynamic culture and a fierce competition for the talent within the industry, considering the age group of the employee base and a high turnover, getting the most value from the workers while they are still there is

the key to the GSN *modus operandi*. GSN Digital's currency is determined by the technical excellence, whereas Vodacom's one is centered on political savvy and "who you know". Where GSN praises its employees for being proactive and taking the initiative, Vodacom discourages any act outside the clearly specified role.

4.3   Power and Influence in the Organizational Culture

GSN and Vodacom have different sources of power and influence. At Vodacom, influence is achieved through persuading and politicking those in power to advocate for decisions. At Vodacom, the use of political and "social currencies" as outlined in the book *Influence without Authority* by Allan R. Cohen and David L. Bradford [15] is very important, prevalent, and valued greater than technical competence. At GSN Digital, influence is used at senior levels to align the organization with the team's vision; the decision-making is delegated to the lower levels in the organization.   Dave uses a lot of social currencies to protect his team and keep them productive; in order to make the necessary changes, he couples that with the technical currency, as he influences the rest of the organization.

Both companies are similar in that they value an informal and comfortable atmosphere: people drink beer on the job at GSN and the CEO wears jeans and sneakers and is called by his first name at Vodacom.

4.4   Management Style within the Corporate Culture

Dave and Sam have developed their management styles, consistent with their personal preferences which work within their respective companies. Dave's style is well suited for a company where creativity is paramount. He employs many concepts for encouraging creative thinkers, including using extrinsic and intrinsic motivation techniques. As stated in the *Harvard Business Review* article "How to Kill Creativity" [16] by Teresa M. Amabile, the most powerful lever a manager has for creative employees is to motivate them intrinsically, and stoke their passion for the challenge. This is what Dave accomplishes by removing barriers and keeping administrative burdens off his team, the team is able to focus on the intrinsically motivating tasks of developing cool games. He protects his team from over-commitment, which is another way of keeping the creativity fresh.   Dave could be authoritative [17] when

required, for example, when he must deal with a difficult employee or respond to the increasing demands from a Product Management team. If a Product Management team makes unreasonable requests that affect the work-life balance of Dave's team, he will protect his team. As the manager, Dave displays adaptability and awareness of his power. He is democratic and open with his team. Having realized that he is leading the hottest team in the company, he does not hesitate to shift his style and be vocal with his management, knowing they will be more tolerant of criticism delivered by him.

Dave's team sees him as an authentic leader, who does not hesitate to share his true feelings about corporate decisions. Dave's self-deprecating sense of humor makes everybody around him feel comfortable and at ease. He asks for opinions on technical decisions and seeks out management advice from his peers; when there is disagreement, he encourages a healthy debate amongst the team and allows his developers freedom to meet project goals in their own time. The team's description of Dave is consistent with a portrait of the self-aware leader that runs his team in a very democratic fashion; he is and displays an understanding of the effects of his mood may have on those around him. His team says that when he tells them if he is not in a good mood, they take it as a cue to break any bad news gently or wait, if possible.

Sam's style is also suited to his organization's needs. He is directing his team and does not provide room for questioning or insubordination. He allows flexibility and latitude as long as the team members meet their daily objectives. This is consistent with the organizational decision-making process, which is a top down authoritarian approach. Sam's approach is consistent with that dictated from the top; his directions are expected to be followed with no questions asked. Notwithstanding that, Sam is also a collaborative leader; he cares about his team and is doing his best to create a pleasant working environment. As long as goals are met, he wants his employees to be happy and productive. First and foremost, Sam's motivation is being successful for his company by meeting the required daily objectives. Second, is creating a fun environment for his team, so that they enjoy being in the office. As he describes his approach, Sam displays frequent use of currencies, allowing his team flexibility in their work and schedules in exchange for accomplishment of daily targets. Sam is motivated by the success of his team; he is passionate about his job and enjoys the challenges it provides. He likes advancing his technical expertise and is driven to surpass his goals. As an extravert, Sam has the ability to be "friendly with a purpose," [18] to move people in the direction he desires. He has a strong ability to find a common ground

with a diverse group of people. Sam managed to create a productive environment, which his team describes as "meet your daily goals and have fun."

In their roles, both Sam and Dave capitalize on their strengths and tend to minimize their weaknesses. If the circumstances were to reverse, Dave's dislike of politics and his straightforward approach, considered a strength at GSN Digital, would have been unsuitable in the world of big politics at Vodacom. On the other side, Sam, who thrives in the large, authoritarian corporate structure, would have struggled to flourish in the easy going, give and take GSN Digital environment with its lax rules and unclear expectations.

5 Conclusions

Similarly to each other, Dave and Sam play roles, which are aligned with their respective passions and interests. They have both adapted their styles to the needs of their organizations. Dave is an imaginative technologist, who supports and promotes his team's creativity. In his organization, he feels valued in his role as the leader, he is good at what he does, and feels satisfaction from contributing to innovative products.

Sam enjoys getting his team to run like a well-oiled machine with him as the operator; he feels responsible for his team members and makes sure they are having fun while meeting their goals. He creates that environment by encouraging socializing, while giving his team members specific targets to meet, so they are clear on what success looks like. His concern and empathy extends to all South Africans, who are benefiting from the services provided by his organization, and it is intrinsically motivating for him to contribute.

While Dave and Sam operate very differently within their organizations, they both rely upon their strengths and align those with their management style and organizational culture. The business needs and cultural influences of the countries they operate within as well as each manager's personal preferences and experiences influence their respective choices in leading their teams. Differences in their approaches based upon their country cultural influence were not strongly evident; however differences in the economies of the US and South Africa did drive each company's strategy. Both managers displayed self-awareness and have situated themselves in professions and companies that are well suited for their strengths, contributing to their success.

6 Exhibits

6.1 Exhibit 1: Telecom Industry Porter's 5 Forces Analysis

1. **Threat of New Entrants:** The telecom industry is capital-intensive and the biggest barrier to entry is access to finance. When capital markets are generous, the threat of competitive entrants escalates. When financing opportunities are less readily available, the pace of entry slows. Meanwhile, ownership of a telecom license from African Governments can represent a huge barrier to entry.
2. **Power of Suppliers:** There are enough vendors, arguably, to dilute bargaining power. The limited pool of talented managers and engineers, especially those well versed in the latest *technologies*, places companies in a weak position in terms of hiring and salaries.
3. **Power of Buyers:** With increased choice of telecom products and services, the bargaining power of buyers is rising.
4. **Availability of Substitutes:** Internet is becoming a viable *vehicle* for cut-rate voice calls. Delivered by ISPs, applications such as Skype and WhatsApp are diluting voice and text revenues respectively.
5. **Competitive Rivalry:** Competition is "cut throat". Vodacom's effective price per minute in came down 14% year on year (on top of an 11% reduction in the prior year), and its average effective price per megabyte fell 18%. New technology is prompting a raft of substitute services and this tends to drive industry profitability down. In addition to low profits, the telecom industry suffers from high exit barriers, mainly due to its specialized equipment.

Competitors:
There are currently only four mobile telecommunications companies in South Africa: Vodacom, MTN, Cell C, and Virgin Mobile with market shares estimated at approximately 52%, 37%, 8%, and 3% respectively. As such, Vodacom's primary competitor is MTN Group. MTN is a South Africa-based multinational mobile telecommunications company with annual revenue of US$15 billion, operating in many African, European and Middle Eastern countries. The company's head office is in Johannesburg, South Africa.

Vodacom's Competitive Advantages:
- ✓ Shared communications, expertise, and experience with Vodafone
- ✓ Only network in South Africa to offer customers long-term evolution (4G)
- ✓ Biggest network coverage in South Africa
- ✓ Only network in South Africa which allows customers a fast and easy way to send and receive money with a mobile phone
- ✓ Powerful brand association
- ✓ Extensive distribution network includes distinct retail and enterprise channels

6.2 Exhibit 2: Gaming Industry Porter's 5 Forces Analysis

1. **Threat of New Entrants:**
   - The gaming industry is a talent-intensive and the biggest barrier to entry is access to creativity and talent to design the games.
   - Physical capital costs are low; a computer, talent and human capital are barriers. Marketing power is paramount to differentiation between the differing options, and in that case it is a barrier to entry into the big games. However a great creative idea can overcome that by getting a following.
   - Other barriers to entry are the ability to deploy games/content quickly, and intellectual property considerations around content exclusivity

2. **Power of Buyers**
   - Buyers have significant power. The cost to switch from one content maker to another is minimal to nothing as there is no investment required of a buyer which would preclude them from going with one competitor in the industry vs. another. Buyer loyalty is gained through products.

3. **Power of Suppliers**
   - Suppliers would be considered the developers and creative minds being the games. Talented developers have significant leverage in the industry, as they are a premium and can choose the company they want to work for.

4. **Availability of Substitutes**
   - Leisure activities are substitutes, Good weather is a competition because when the weather is good, people like to go outside, travel and do outdoor activities and not want to be indoors playing games.
   - Other kinds of non-casual games like console games, PC games, etc., or entertainment can be substitutes.

5. **Competitive Rivalry**
   - Multitudes of other large and small casual game developers are direct competitors. Even a kid with a computer can design games and publish it; so in theory the entire general population owning a computer and a mobile device like a phone or a tablet is a competitor.

GSN Digital Competitive Advantages:

- ✓ Unbeatable Marketing power due to parent companies (Sony & DirecTV).
- ✓ Large Development group and resource pool – volume of games developed by GSN cannot be easily matched.
- ✓ Trusted Brand Name – People comfortable making in-game purchases with their credit cards from GSN.
- ✓ Control of distribution: Own TV channel, satellite, TV provider etc.
- ✓ Exclusively owned content (Jeopardy, Wheel-Of-Fortune etc.)

6.3 Exhibit 3: History of Vodacom

2009	Sale of South African Government's interests
	Listing on the Johannesburg Stock Exchange
2008	Vodacom Business launched
	Acquisition of Gateway
2007	Acquisition of an interest in WBS ("iBurst")
2006	Vodacom Ventures formed
	First to launch HSDPA in South Africa
2005	Launch of Vodafone live! In South Africa
2004	First to launch 3G in South Africa
2003	Vodacom launches GSM network in Mozambique
2002	First to launch GPRS and MMS in South Africa
	Vodacom launches GSM network in the DRC
2001	Launch of Vodacom's youth product 4U in South Africa
2000	Vodacom launches GSM network in Tanzania
1996	Launch of world's first prepaid service on an IN platform
	Vodacom launches GSM network in Lesotho
1994	Vodacom launches GSM network in South Africa
1993	Vodacom Group incorporated in South Africa with 50/50 ownership between the Government of South Africa and Vodafone (UK).

6.4   Exhibit 4: Organizational Chart of Vodacom
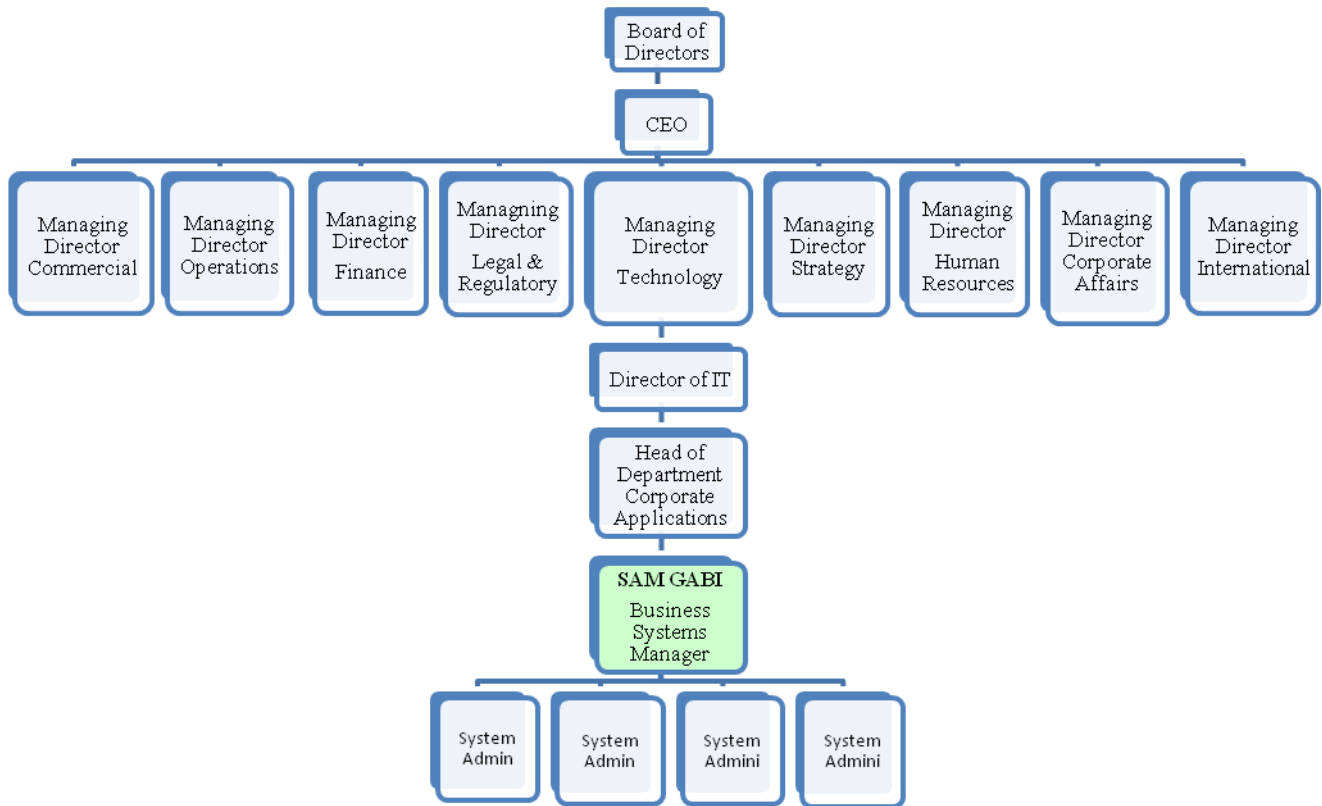
6.5 Exhibit 5: Organizational Chart of GSN Digital
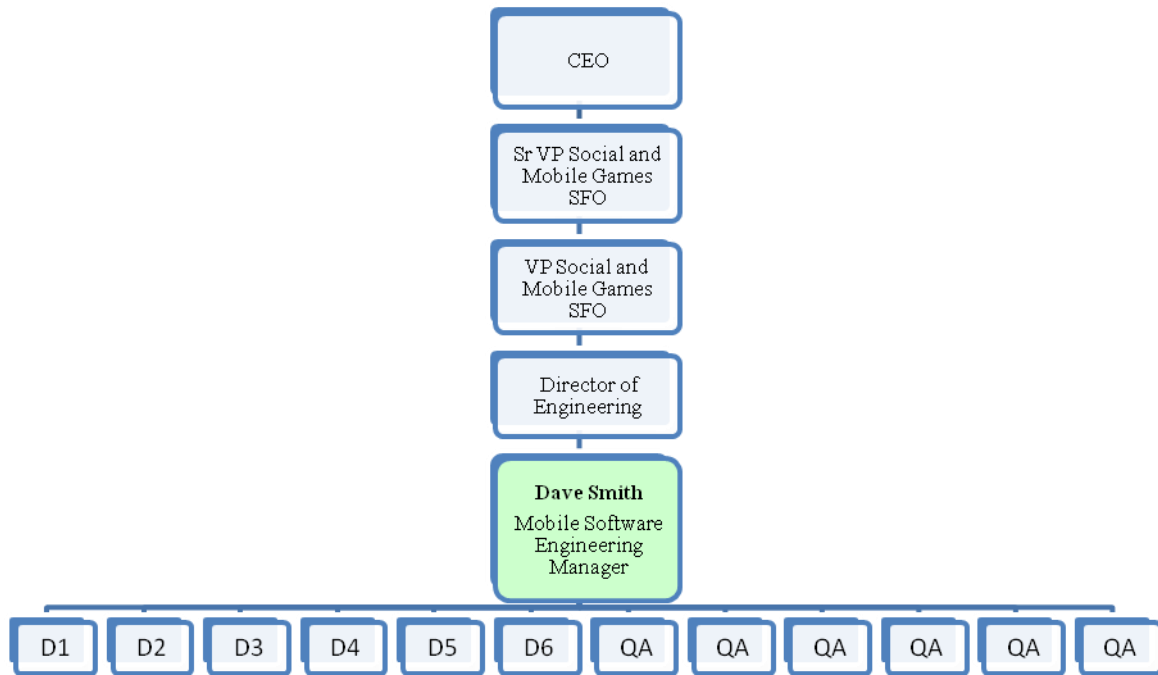
6.6   Exhibit 6: Sam Gabi, Vodacom, Q&A

Company Culture:

1) *6 words to describe the company culture:*
   - Relaxed, open, dynamic, innovative, competitive, understanding

2) *Is there an established and shared vision in the organization? Does everyone know it? Share it? Does it get daily decision-making? How does that happen?*
   - Yes there is, however, it doesn't really mean anything. I doubt that even my boss fully understands the company's vision as people in the company simply do as they are told from their higher up.

3) *If you had to give the company I "personality, how would you describe it? What famous person has similar attributes? What animal?*
   - Bubbly, Kurt Cobain, and monkey. Vodacom is a blend of so many things. Kurt Cobain constantly reinvented himself. The industry is dynamic, so if I do not constantly reinvent myself I will be left behind. Kurt Cobain represented a cocktail of so many different things. People constantly crack jokes, and the office is full of laughter. Vodacom is a fun and playful work environment. This is not a Deloitte where everyone is serious.

4) *What are you most proud of in your company? In your job?*
   - The change that the company has made in the life of many underprivileged citizens. For example, Vodacom has spent over US $100 million on social projects since 2000 to help in areas such as education and infrastructure in poorer African communities. My job makes many other peoples jobs easier to carry out. Because I work on corporate systems, I get to see the before and after of his job such as improving old manual systems.

5) *What do you think could be improved?*
   - Communication, particularly, the changes discussed at board level which ultimately impact the lives of employees. Employees are just told what to do without open discussions, and there is often no room for negotiation.

6) *How does the company see themselves Excelling/Market leadership?*
   - Tech innovation: High
   - Customer Satisfaction: Needs improvement, especially our call center and network.
   - Price: Our prices our highly competitive.

Influence

7) *Influence in the organization – how does it work? What are the characteristics of the most influential people in the organization?*
   - Do as you're told. "This is what needs to be done; make it happen," and this is passed down the chain of command.

8) *Diversity of thought encouraged? How? Is it considered when organizations / teams are developed?*
   - Not a priority within the business.

Decision Making Process/Organization

9) *Decision making process of executive/ president level*:
   - If you're not at the top, you're just a pawn. People are just told that this is the way the company is going without the process of direction being explained.

10) *Decision making process of organization at lower levels*
    Consistent with executives: N/A
    Leadership sets the tone?
    - Yes, the parameters in which you can make decisions come from higher level

11) *Do you have the ability to communicate what you think needs to be improved to executives 3 levels up from you? Open door policy, hierarchical?*
    - Communication is an open door policy but ultimately top management makes some key decisions.

12) *How would you get a new idea – cross organization initiative – deployed in the organization? Easy or difficult?*
    - Difficult. IT has one of the most creative people in an organization, but everyone looks at the bottom line costs.

    Challenges/barriers you think you would see?
    - Due to the current cost optimization being adopted by the business, it is difficult to come up with new initiatives that come at a cost.

13) *Reward system -> in place? What is it?*
    - Yes, bonuses are based Annual Key Performance Areas which depend on an employee's job specifications. Both the line manager and employee have to agree on seven key performance areas related to the job. The line manager and employee rate the employee on a scale of 1 to 5. The process is bureaucratic and done to make sure you both the manager and employee agree. An improvement plan is then implemented to address areas of improvements. The process is aimed to help employee's progress in their role.

14) *What type of expertise is most valued / rewarded in employees?*
    - Political savvy: People who can "talk the talk" advance the most.

Manager's Area Focus

15) Formal/informal decision process for manager's span of control?
- I am a bit of both. A lot is done informally, but once something is outside my tolerance I have to be formal.

16) Biggest strength/weakness of the your team:
- My team's is loyal and I know they will not let me down. They have a strong work ethic, value their jobs, and put in extra hours when required, and go the extra mile for me even when it is not required. However, skill is a rare commodity.

17) Work environment -> do you have the freedom to create your org structure for a project/or work within established structure? No
- *How does the company form/charter teams?* This is regulated by the Project Office.

18) Is there an employee feedback process -> formal feedback/goals
- Yes. We have monthly one-on-ones and a yearly review.

19) How do "things get done" in the organization? If a significant problem occurs, what is the probable org response to address? Heroes, command and control, "task force", team, group consensus?
- A combination of the four. Group consensuses are primarily seen at the top and passed down the chain of command. For most day to day activities, the primary way of getting things done is through command and control. For special projects or changes to the company's organizational structure, special task force teams created by the top are utilized who then report back to the Board.

Does this work?
- Yes

Benefits of approach? Weaknesses? Any unintended consequences?
- Employees often feel left out because they have no say, especially when task forces are used to make changes in the departments in which they work in. There are also issues with trust.

20) Is your organization open to ideas from the bottom up? How are ideas/change encouraged from the individual contributors? Formal/ informal?
- Yes, however this is currently not a priority within the business.

21) Leadership development opportunities avail w/in the company?
- Yes.

22) Development of direct reports – how do you motivate them? Develop them?
- I try to motivate my employees by promoting an entrepreneurial environment and creating a vibrant enthusiasm for "the mission" and giving them flexibility on the work environment as long as they meet their objectives for the day.

23) *What is your leadership style? What would your leadership and managers say about your leadership style and peers?*
   - I tend to make decisions for my team based on my past experience and training for most tasks, but allow group participation for less important tasks. I try to remain informal and approachable with my team and give them the freedom of how to do their jobs as long as they follow my direction. I believe in micromanagement because although I trust my team in getting the job right, the skill set of my team is not as high as you would find in a similar company in the United States. As such, I place a great emphasis in setting and measuring objectives and taking corrective action wherever necessary.

24) *How do you organize your day-to-day tasks? Communication with employees?*
   - I hold a 30-minute meeting every Monday with my team to let them know the week's agenda. During these meetings, I give my team a printed checklist of what I expect from them for the week. I then meet one-on-one with my employees for at least 5 minutes every day and let them know what I expect from them.

25) *What freedom do they have with setting their day-to-day agenda?*
   - I give my employees the freedom on how they do their jobs. They can start work at 10 AM or leave early. They can even come to work in slippers if they want and check the latest scores on Yahoo Sports online. All I ask is for them to meet the day's objectives.

26) *What do you do when there is a conflict with 2 or more employees? Chat with them?*
   - In the rare case where I foresee my team missing a deadline, perhaps as a result of a conflict, I take responsibility and finish the project by myself.

27) *What do you like to do in your free time? Hobbies / interests?*
   - Basketball, soccer, and spending time with my wife and daughter.

6.7 Exhibit 7: Dave Smith, GSN Digital, Q&A

Company Culture:

1) *6 words to describe the company culture:*
    o Open, evolving, dedicated, scrum, technical, fun

2) *Is there an established and shared vision in the organization? Does everyone know it? Share it? Does it get daily decision-making? How does that happen?*
    o I feel like there is a desire for shared vision at the company. We are currently in a large transition that is challenging the old vision with a new vision. It will take time for the new vision to be fully defined and established. My vision is to use technology to make a cool entertaining experience for our players. I wish to work on a team that is constantly learning and pushing our expertise but yet retain a good quality of life.

3) *If you had to give the company I "personality, how would you describe it? What famous person has similar attributes? What animal?*
    o I would say that we are Johnny Depp right after 21 Jump Street and before the career that we now know of him. We are a successful, but strive to be taken more seriously as a company with in the gaming space.

4) *What are you most proud of in your company? In your job?*
    o I am most proud of the evolution of my team. When I started at the company my team was considered one of the worst teams in the company. There was nothing predictable about the velocity; there was lots of fighting and mistrust. There was a strong lack of professional behavior and there was nothing of a team. After 6 months there was suddenly a real team, a team that supports each other, gets things done and is fun to work with. The team became so good that we are now considered the best most sought after team in the company.

5) *What do you think could be improved?*
    o I think there is more that could be done to get ahead of issues before they arise.
    o To improve our transparency
    o Improve ramping up new team members and those that use our technology
    o Automation of our processes.
    o Have time for pure creative initiatives
    o Reduce slow down from external dependencies

6) *How does the company see themselves Excelling/Market leadership?*
    o Tech innovation
    o In the area of mobile the company is pushing to build and deploy games across multiple platforms without having to rebuild for each platform. To accomplish this they are employing technology that is very hot right now. That tech is as much of a recruitment tool as anything else the company is doing and has help secure top talent. Talent is everything.
    o Customer satisfaction: The company takes customer satisfaction very seriously. There is a customer support department that I have weekly meetings with and the results of those

meeting make their way into the work of the team regularly. On the Facebook side there is a great deal of measurement and experimentation on what the customers like. I would say that the company is almost foregoing innovation and instead trying to incrementally measure their way to success with customers. I believe in a stronger mix of measurement and gut.
- o Price : We are employing similar pricing trends as our customers.

Influence

7) *Influence in the organization – how does it work? What are the characteristics of the most influential people in the organization?*
- o The hottest areas of growth drive the strongest influence on company direction. I have experienced this first hand. In this area, the line of business that shows the clearest path to revenue wins. The people that demonstrate that they can get things done are treated with the greatest respect and are offered the most influence and opportunity.

8) *Diversity of thought encouraged? How? Is it considered when organizations / teams are developed?*
- o I have found that diversity of thought is encouraged. I have delivered brutally honest feed back to all levels of the company and have received praise for doing so. Perhaps my experience has provided me with good ideas and instincts worth listening to, but I also believe that the company purposely welcomes this feedback. It is also possible that because I lead the effort in the hottest area of growth in the company, that they are much more tolerant of my comments.

Decision Making Process/Organization

9) *Decision making process of executive/ president level*
- o At the top of the organization the CEO sets the directions and is a strong believer in letting his reports drive the implementation of his directions without micromanaging them. Only in moments of true stalemate have I seen him insert himself into the decision making process of his reports.

10) *Decision-making process of organization at lower levels; is it consistent with executives, does Leadership set the tone?*
- o I would say that the leadership at the lower level is mixed. I have found some leaders to be willing to take a back seat to the more aggressive leaders. I have found some not willing or able to push ahead on decisions without someone explicitly asking them to do so. I have found some leaders afraid to push back on their managers when they disagree. Instead letting their team shoulder the full burden of bad decisions. I have found this fear to be unnecessary, as I have seen their leaders make appropriate change when aware of these issues. (Ie. When I have spoken to them honestly about the situations).

11) *Do you have the ability to communicate what you think needs to be improved to executives 3 levels up from you? Open door policy, hierarchical?*
- o I have absolutely been able to do this. Part of this is because the company allows it and part is because I made it part of my personal philosophy to treat everyone at every level the same.

We are all a part of the same team in my mind and there is no need to walk on eggshells. If I felt any other way then it is not a company I want to work at.

12) *How would you get a new idea – cross organization initiative – deployed in the organization? Easy or difficult? Challenges/barriers you think you would see?*
   o I would lay out as much early groundwork as possible with the level that would actually be doing the work. I would gage the interest and capability there and if it seems plausible then I would work my way up the hierarchy. Overtime I let the new ideas leak into the minds of the company so that it seems like the obvious natural choice of direction and not a big record scratch situation. I do all of this in a direct and honest way. There is no need for games here. I have found that people need time to adjust to the new and it is important to give them time to think about it.

13) *Reward system -> in place? What is it?*
   o Yearly raises and bonuses are normal, but I find this not to be enough. I have started making up my own rules in this area. I like to openly challenge the team and offer up rewards. If necessary I will personally finance the reward if it make the team stronger.

14) *What type of expertise is most valued/rewarded in employees?*
      Knowing customer
      Technical expertise
      Creativity
      Political savvy
   o I can usually sense political BS and do not reward it. For me the most valued employee is someone who takes ownership, has technical knowledge and is willing to take on and learn new things without having to be forced to do so. I have found that work place happiness is related to learning and feeling valuable. I have little tolerance in employees that try to stay valuable by being blackbox about what they do. I love employees that are transparent, foster teamwork and want to teach others. I love employees that do not fear others learning what they do, but see that process as a means to taking on new challenges themselves.

Manager's Area Focus

15) *Formal/informal decision process for manager's span of control?*
   o Not sure what you are looking for here.

16) *Biggest strength/weakness of the your team*

   o Strengths:
      - Dedicated
      - Willing to learn
      - Like each other (mostly)
      - Push back when needed

   o Weakness:
      - Finding time to support external teams
      - Some members are putting in hours that cannot be sustained

- We could use more automation.
- We could be more direct and constructive with members that are sometimes not performing in the way that the team would like.

17) *Work environment -> do you have the freedom to create your org structure for a project/or work within established structure?*
      How does the company form/charter teams?
   o I have been given a lot of freedom in some ways and had my hands tied in others. It has been difficult to get some folks that are less qualified for some of these decisions to relinquish control and admit that they are not the right folks to be making these decisions. They are learning and it is getting easier.

18) *Is there an employee feedback process -> formal feedback/goals?*
   o Yes. We have monthly one-on-ones and a yearly review.

19) *How do "things get done" in the organization? If a significant problem occurs, what is the probable org response to address? Heroes, command and control, "task force", team, group consensus?*
   o A mix of things. I have seen the company allow the right folks to do the right things in a controlled manner. I have seen panic and pressure for heroes to step up. I personally try to step in front of the panic issues before they get to the team. I cannot always avoid the team from being effected though.

   Does this work?
   o It works only because I see that the company is willing to try and improve and do better the next time.

   Benefits of approach, weaknesses:
   o Fast and panic is never the right way.

   Any unintended consequences:
   o My team has spent several months trying to get out of a year worth of bad technical choices that were made because of speed and panic. These decisions were made before most of the team and myself were here.

20) *Is your organization open to ideas from the bottom up? How are ideas/change encouraged from the individual contributors? Formal/ informal?*
   o Yes they are. The ideas are usually put into our scrum backlog to be acted upon.

21) *Leadership development opportunities avail w/in the company?*
   o Yes.

22) *Development of direct reports – how do you motivate them? Develop them?*
   o Most of my developers are very senior and are self-starters. For them it is about keeping the bullshit low and the cool tech on the horizon. Mostly I encourage teamwork and getting to know each other. For each one I have a sense of areas of development need and try to partner

them as much as possible with other members of the team that will enrich or challenge them in these areas of need.

23) *What is your leadership style? What would your leadership and managers say about your leadership style and peers?*
   o I try to be straightforward and direct. I try to give fair expectations and challenge folks to learn more. I try to keep everyone clear of distraction. If I promise something then it happens. It is about trust and respect. I am not looking for power or control. I am looking to learn from my team and make cool products.

24) *How do you organize your day-to-day tasks? Communication with employees?*
   o My company sets up a ton of meetings that set my day to day. I try to do work in spite of them at times. I like to have organic interaction with the team during the day. We do some casually hang outs a couple of times a week towards the end of the day.

25) *What freedom do they have with setting their day-to-day agenda?*
   o They sign up for tasks and have freedom to handle them in the way they see fit. There are some mandatory meetings that the company requires. Otherwise they do what needs to be done to accomplish the goals. Sometimes this is working from home to keep distractions to a minimum.

26) *What do you do when there is a conflict with 2 or more employees? Chat with them?*
   o I like to stop conflict as early as possible. I encourage direct interaction between employees. I find that the 'boss' getting involved can make situations seem more awkward. If necessary, I schedule meetings to talk the issues through.

27) *Like to do in free time… hobbies/interests?*
   o Play with my kids, going out with my wife, playing drums and guitar. I also like to make video games for my kids and like sports.

28) *Who do you admire and why?*
   o My father. He is always fair and direct. He cares for people. I admire my brother for the same reason. Both are strong leaders that do not panic and protect their teams.

29) *Invited to dinner table dead/alive, who would it be?*
   o Walt Disney because he pushed creative boundaries in animation, live action movies, theme parks and more. He was fearless about his vision and brought out the best in the creative people he worked with. I know that he was at odds with his employees at times and would love to ask him if he would do it differently given what we know now. Ultimately turning something creative into a profession is fascinating to me and I think he stands as an amazing leader in this area.

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