

Rise and fall of retail star

The fall of [Markus Jooste](#), the now-disgraced former CEO of Steinhoff, has badly rattled his legion of disciples.



Markus Jooste. Image credit: *Financial Mail*

Jooste (56), whom this magazine recently dubbed "the Fred Flintstone of the investment world" for his scrappy personality, sees the world in black and white. He is "charismatic, but arrogant and abrasive", says All Weather Capital chief investment officer Shane Watkins.

"A large group of people worshipped him unquestioningly. These people were lavishly entertained and fed. Those analysts who questioned and asked uncomfortable questions were excluded," says Watkins. "The investment community was very split on the issue - my guess is 80% of analysts loved him and lapped up his story and 20% were much more sceptical."

Jooste's longstanding admirers include David Sussman, founder of the JD Group, which was bought by Steinhoff; Grand Parade Investments chairman Hassen Adams, who owned racehorses with Jooste; and Phumelela Gaming & Leisure CEO Rian du Plessis.

But perhaps the single largest factor in Jooste's rise was Christo Wiese, whose fortune more than halved in the past week.

Christo Wiese resigns as Steinhoff chairman

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Two years ago, Jooste told *BizNews*: "When I started my [accounting] articles in 1982, the first office I walked into on my first day was owned by Christo Wiese." Jooste spoke of how Wiese was "a fantastic mentor for me during my whole career", alongside Bruno Steinhoff, and German industrialist Claas Daun.

If you were in Jooste's camp, he was fiercely loyal; if not, corporate Siberia awaited. In particular, there has long been speculation about a frosty relationship between former Shoprite CEO Whitey Basson and Jooste, with both often portrayed as children scrambling for attention at Wiese's knee.

Watkins, like many, believes the issue wasn't necessarily personal, but rather that Steinhoff's businesses were of much poorer quality than Shoprite's. This, if anything, lay behind Basson's reluctance to merge Shoprite with Steinhoff - a merger Wiese was apparently dead keen on.

When the *Financial Mail* asks Basson, in the wake of Steinhoff's collapse, if he is pleased the merger didn't happen, he laughs: "Are you asking if the Pope is Catholic? Well he is!"

Basson says he had no gripe with Jooste. "I just didn't want [the companies] to be merged. I don't know his business. It's just a big business - furniture, clothing, whatever you wish. I like businesses like Shoprite and Amazon that stick to their core business."

Behind the scenes, Basson spent months discussing his concerns with Wiese. Wiese wanted his retail eggs in one basket, but Basson disagreed. "I like single core investments - they must be separately owned and run," he says.

Nonetheless, Basson and Wiese are close, speaking almost every day. Last weekend, after Steinhoff's blow-out, the two had lunch.

"Nobody knows what the real problem is [at Steinhoff]," says Basson. He says Wiese himself doesn't even know. But he adds: "[Wiese] is not the kind of guy who bears grudges. Even when I fight with him we still talk afterwards."

Jooste now lives in Stellenbosch, where he moved from Irene, Pretoria. The wine route town has been abuzz with talk of Steinhoff's collapse in recent days. As one insider says: everyone knows someone who works at Steinhoff, either directly or through their children. "People must think Stellenbosch is one big happy family - it's not...there are friends and enemies."

Source: Financial Mail

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