

BBOQ

BLACK BUSINESS QUARTERLY

ZINHLE MATENTJI
MANAGING DIRECTOR
OF SEARCH SPECIFICS

Adding a touch of finesse to recruitment

SOUTH AFRICA'S PREMIER
BLACK BUSINESS
LEADERSHIP MAGAZINE

FOURTH QUARTER 2011

R29⁹⁵



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We understand that every client has their own unique print requirements in terms of quantity, quality, format and distribution. From high volume educational material and ballots to innovative marketing material, Paarl Media will work in partnership with you to give you the right advice and support, backed by our extensive capability to deliver the solution that is the best for you.



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With ten specialised plants across South Africa, clients have access to extensive resources, powerful bindery capability and a comprehensive distribution network for large volume production. Digital integration of the pre-press departments allows seamless transfer of files between plants, allowing one product to be printed in different locations on identical platforms where it suits the client best. This also provides backup capability to ensure material is delivered on time. The facility to print products close to their final destinations also reduces transport requirements, which minimises the carbon footprint impact.

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With level Four BEE Contributor and value added service supplier status, 125% of client's spend with Paarl Media applies to their own BEE scorecard. Our total empowerment shareholding in excess of R1.3 billion, and over 1 500 jobs have been created through successful enterprise development initiatives. Our BEE partners are truly broad based with loveLife's Kurisani Investments having over 7.5 million beneficiaries (100% black owned, 51% black female ownership), and Welkom Yizani Investment Company involving 100 000 black individuals and 1 000 black groups (minimum of 43% black female ownership).

ENVIRONMENTALLY RESPONSIBLE

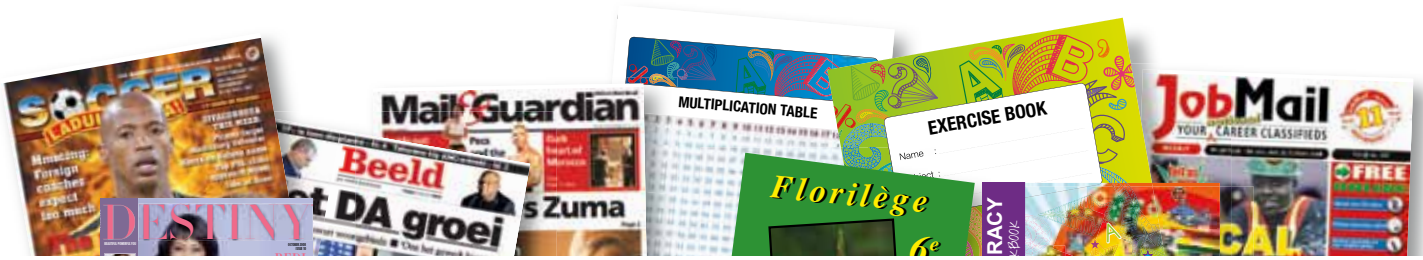
With over R100 million invested in environmentally responsible practices, our clients are reassured that their work will be delivered with the least impact on the natural environment without any compromise on the quality of printing. Paarl Media was the first African printing organisation to receive Forestry Stewardship Council (FSC™) Chain of Custody (CoC) certification, an independent international verification that the products printed can be traced back from their point of origin to responsible, well managed forestry, controlled and recycled sources.

INVESTING IN THE COMMUNITY

As committed corporate citizens, Paarl Media aims to alleviate some of the issues that affect the people of South Africa and our environment through either printing and/or financial support to a number of community based projects.

PROACTIVE SKILLS DEVELOPMENT

Skills development is central to job creation and productivity, empowering people for meaningful participation in society. Following a comprehensive study of overseas training programs, Paarl Media has taken the lead in the development of a world class training facility, the Paarl Media Academy of Print, which has received local and international accreditation through the FP&M SETA and City & Guilds in London. It is set to raise the skills levels in the industry. Existing outdated trade training has been replaced by new apprenticeship curricula, with apprentices earning a wage while they learn on the 2 year theoretical and practical training program. The Academy offers employees technical, skills and leadership courses, and is an Institute of Sectoral and Occupational Excellence (ISOE).



EVERY STEP OF THE WAY

ADDING VALUE FROM START TO FINISH

From the initial development of your product through the production process to reporting back on the final distribution, Paarl Media offers you the expertise and support to ensure the successful completion of your project.

- Through our sister publishing company, Via Afrika, we provide access to extensive publishing experience across different subjects and languages for the development of high quality educational material.
- The Academy of Print offers designers a “Design for Print” workshop, developed by our pre-press experts, to facilitate design and preparation of material for optimal printing and binding results.
- Strong established supplier relationships for optimal paper availability, pricing and ordering.
- The ten plants based in Paarl, Cape Town, Johannesburg, Bloemfontein, Port Elizabeth and Durban, offer easy access to professional publication gravure, heatset web offset, sheetfed, coldset and uv flexo self-adhesive label printing.
- The press technology caters for the most efficient production of different format.
- Inline variable numbering and finishing for specific formats speeds up the production process.
- Paarl Media Gauteng is a registered security printer.
- The binderies, with their experienced, quality driven hand finishing divisions, can accommodate intricate variations in finishing, fine picking and packing.
- An established national distribution network caters for complex distribution requirements to both main centres and outlying rural areas.
- Throughout each project, we can provide comprehensive tracking and reporting, detailing the printing and distribution statuses.



SUCCESSFUL TRACK RECORD

Paarl Media has a proven track record for the production of a wide variety of books, magazines, marketing material and election ballot products, often under very tight deadlines and involving complex packing and distribution.

- Delivered 35 million Presidential ballots in three days for the Nigerian 2007 Presidential elections.
- Selected printers for the 2011 Nigerian elections.
- Printed 24 million educational workbooks for the South African Department of Basic Education. The fine picking, packing and distribution thereof to 18 475 schools was completed within four weeks.
- Successfully printed, fine picked and packed over 42 million ballots, with complex variations, for the 2006 DRC elections.
- Printed over 2,8 million educational books for Angola.
- Only printers to deliver on time 300 000 copies of school material in multiple languages for Department of Education for the Kha Ri Guide Project.
- Largest magazine printer in South Africa with in excess of 80% market share by volume.
- 4 million leaflets produced in 11 languages for the ANC during February 2008. Artwork was received on Friday morning and the complete job was delivered on Monday, three days later.
- 2.3 million Dish magazines that vary from 64 to 128 pages, with a 4-page gloss cover and saddle stitched within a production time of 4 days.

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Social upliftment

+ investing in
our people

Level
4 B-BBEE
rating

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*In 2011, the BMW Group was named the World's Most Sustainable Automotive Company in the Dow Jones Sustainability Index for the seventh consecutive year.

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LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
**CO-OPERATIVE GOVERNANCE
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS**

Leadership - a skill that fuels high performance

The 2011 Public Sector Visionary Award winner - Mr Nkomotana Clifford Motsepe through his vision and impeccable leadership has led his CoGHSTA team to public service excellence.

In the past three years of leading the Limpopo provincial Department of Co-operative Governance, Human Settlements and Traditional Affairs, Motsepe's department has become a multi- award winning organisation and has since scooped nineteen awards for provision of excellent service. A feat never achieved in Limpopo. He is truly in charge of his charges.

He has demonstrated great qualities of a magnanimous leader. He ensures that credit for successes is spread as widely as possible throughout the organisation. Conversely, a good leader takes personal responsibility for failures. This sort of reverse magnanimity helps other people feel good about themselves and draws the team closer together. To spread the fame and take the blame is a hallmark of effective leadership.

Delivering special projects in a developing world is a cornerstone of the department of CoGHSTAs provincial infrastructure development strategy. The budget allocation of about R2 billion for the current financial year has now profiled the department to become a large player in the construction industry. We have got no doubt that the priorities that we have set ourselves are on course and that the centrality of the concerted efforts of ensuring that the people of Limpopo are serviced with innovative and cost-effective construction methods, such as project management, will indeed come to see the light of the day.

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BLACK BUSINESS QUARTERLY

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EDITOR'S NOTE

Sadly, our celebrated series on state-owned enterprises (SOEs) has run its full course. In its place, a new feature – “Where to Invest in Africa” – will be serialised effective December 2011 to December 2012. This four-part series (see page 124) will be published courtesy of Rand Merchant Bank (RMB) Fixed Income, Currency and Commodity (FICC) Research – overseen by Louis Jordaan, head of the FICC in Africa division.



It will be a shop window, if you like, into Africa, which often is treated as one entity. Instead, RMB's research zeros in on individual countries, highlighting factors such as investment attractiveness, gross domestic product (marketing prices, and purchasing power or growth), population, GDP per capita, operating environment score, and openness to foreign investment. The research further pinpoints strengths and weaknesses per profiled country.

Those are all crucial elements in making sound investment decisions. Featured first are Nigeria, Africa's other powerhouse; and Zambia, one of the continent's promising economies. In March, the spotlight falls on Ghana and Tanzania.

To commemorate this 50th edition, publisher Royston Lamond takes us on a nostalgic journey stretching back 10 years. Like most great South African business stories, *Black Business Quarterly* was nurtured in that ironic place now legendary for giving life to many bright ideas – the garage.

This got me thinking: is it not time someone profiled the humble role the garage (often laden with clutter) plays in igniting entrepreneurial zeal? Many great ideas were born there; many more grew there, were refined or moulded. It is one place to where people (those privileged to have one) can retire after a hard day's work to 'test-drive' interesting ideas. Often, this leads to eureka moments.

Think Mark Shuttleworth's Thawte Consulting. From his parents' Durbanville garage, this IT start-up developed into a global enterprise worth US\$575 million by the time it was bought by VeriSign in 1999.

The 'garage factor' is an aspect that should be considered by Dr Mike Herrington and his team at the University of Cape Town Graduate School of Business when they embark on the next “Global Entrepreneurship Monitor” report.

Someone build me a garage, please!

Thank you for making our year, and best wishes for 2012.

David Mwanambuyu

WILL

WE ~~WONT~~ MOVE

Keeping Transformation on Track



National Empowerment Rating Agency (NERA) is a Sanas accredited B-BBEE verification agency with an unwavering commitment to the economic transformation of South Africa. Our services include B-BBEE Verifications (including Charter Verifications), B-BBEE Training and Shareholder Analysis of listed Companies.

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Lamona

Energetic, vibrant and youthful Zinhle Matentji is the founder and managing director of Parkmore-based Search Specifics, a dynamic and experienced executive search firm that has successfully pioneered diversity placement in South Africa and abroad.

Search Specifics is 100% black and female-owned, having built its reputation on approaching the executive search and recruitment process professionally in addition to offering a high level of service.

As a successful entrepreneur and experienced business leader, Matentji holds her own, capturing attention with her vivacious, positive outlook and sheer passion for what she does. Little wonder that her company attracts and places all types of executive level candidates through its research methodology, and its established and extensive network.

Born in Ndaleni, a farm in Richmond in KwaZulu-Natal, Matentji was lucky enough to be raised in a household that offered not only the nurturing care of a mother, but also the love, wisdom and attention of her grandparents. Today, she proudly admits that she drew much inspiration from her late grandfather. "He wasn't only my father figure, but

my mentor as well," she remembers fondly. "He was always so full of encouragement and attended all my school events."

Matentji attended Haythorne High School in Pietermaritzburg, before moving to Richards Bay in 1994 where she went to John Ross College. Her family then moved back to Pietermaritzburg in 1995, where she attended Alexander High School until she matriculated in 1997. "I really enjoyed my time spent at high school, I was popular and played by the rules," she laughs and adds, "I was always front and centre."

Grahamstown's Rhodes University was her next destination, here she completed and obtained her Bachelor of Social Science degree in 2000, majoring in Industrial Psychology and Sociology, followed by a postgraduate diploma in Business Management the year after. The socialite not only enjoyed her time in class, but interacting with different kinds of people on campus was another favourite past time of hers.

In 2002 Matentji moved to Johannesburg to begin her career in marketing. Fate, however, sealed her fortune when she joined the international executive search firm Memela Pratt (then known as Anne Pratt and Associates) as a researcher. She spent a year with the company, working across the board with the research team, and forming a solid foundation for the future.

In March of 2003 she was headhunted by Fusion Consulting, a locally based search firm serving a diverse southern African clientele, as an account executive. Here Matentji got the opportunity to hone her business development, canvassing, recruitment and relationship skills to perfection before taking the plunge and launching her own company, Search Specifics, with a business partner in 2005. Two years later, she bought out the partner and went at it alone.

"By this time I was fully aware of the executive search industry issues specific to South Africa, and the search industry in general," says the Kyalami, Gauteng, resident.

Matentji's main concern at the time was whether or not the industry was meeting the needs of clients and candidates. Realising that it was not, she recognised that there was a gap between what clients and candidates expected and what the industry was delivering, spurring the birth of Search Specifics.

"I knew that I could do more than what was being done at the time, and that I could do it better. I was determined to create an executive search practice founded on certain core principles, she explains.

"I couldn't register the company fast enough," she says. Her initial success is largely due to word-of-mouth praise from clients and her steadfast ability to pursue her dreams.

Matentji has ensured Search Specifics provides its clients with the highest quality and calibre of talent; leads the market in providing in-depth and current research; adapts to changes in the marketplace to accommodate clients' needs, and prioritises playing an active role in managing candidates' careers. "We work toward achieving the goals of transformation and maintaining our South African roots, while enjoying a continental and global reach," she says.

Under Matentji's watchful eye, Search Specifics upholds the highest standards of ethics, confidentiality and professionalism, and consistently enhances the image of executive search firms by adding value to clients and candidates. "We make sure that we use only in-depth research methodology and leverage our extensive network locally and globally to produce results for clients," she says.



“We are committed to developing long-term relationships with our clients so that we can readily understand our clients’ needs from not only a technical perspective, but from a culture fit perspective as well.”

With clients across a wide range of industries from fast-moving consumer goods and financial services to mining, retail, IT and petroleum, the company has certainly built up a huge portfolio of clients in the past six years.

“We have a very strong focus on business development and relationship building, and strive to deliver the best work that we can. We further endeavour to give our clients more than they expect,” Matentji said.

This philosophy has fuelled the growth of Search Specifics into one of South Africa’s leading executive search firms. “We have achieved this by living by this mantra of doing more and doing it better,” says Matentji.

“We are committed to excellence in service delivery and this is reflected in our continued success, repeat business and positive comments from both the clients and candidates that we serve. We enable business transformation by upholding world-class standards when identifying and recruiting candidates and provide our clients with the best-fit employees with leadership potential to ensure our clients’ long-term success.”

What the company does

Search Specifics provides clients with three main services, namely research, executive search and advertised selection.

Market research includes meeting with clients to take a comprehensive brief and then using distinct methodologies, including in-depth research and networking, to map out the industry providing its clients with organograms. The executive search service locates top management through a comprehensive search of the marketplace and headhunting, before conducting one-on-one screening of the targeted candidates. Advertised selection involves locating top management talent through prime positioning in print media, screening and one-on-one interviewing.

“The first step is understanding our client’s brief. Success is based on a clear understanding

of the core competency requirements of the position, as well as the individual’s role within his/her department and the corporation as a whole,” says Matentji.

Points included in the discussion with clients include the key performance areas and key strategic challenges; understanding the reporting structure as well as key internal and external relationships; drawing up a strategic project plan to attract the right individuals; discussing any possible stumbling blocks with regard to skills versus position challenges, and remuneration details for prospective candi-

dates. Search Specifics then uses headhunting and research to find appropriate candidates for a position.

Phase one of the research process involves in-depth market research. “Search Specifics identifies corporations that are industry leaders and niche specialists in our clients’ market segment. We then gather comprehensive information on the structures within each department inside the company to identify possible candidates. On completion of this, we present a comprehensive report, including a list of potential candidates, to our client,” Matentji explains.

Phase two involves the confidential headhunting of candidates who are approached for a one-on-one discussion. “We then invite candidates for an interview where we use technical selection questions to identify the strongest candidates,” says Matentji.

“We then draw up a short list of a maximum of four candidates, which we present with detailed CVs and interview notes. Finally, we facilitate interviews with our clients for final selection.”

Phase three relates to the appointment of the preferred candidate. “Search Specifics provides ongoing support through final negotiations to ensure that the candidate’s initial enthusiasm

and interest is maintained, and to neutralise any possible counter offers,” Matentji says.

“We play a key role in salary and benefit negotiations, and maintain ongoing contact with both clients and candidates to ensure that the relationship works out satisfactorily.”

Research-based methodology, extensive networks and cross-industry knowledge ensures that the company provides world-class executive search services to its clients, who view it as a trusted advisor and strategic partner for their executive, management and human capital needs.

“Our candidates are high-level performers who take a long-term view of their careers”

“Our approach is underlined by a commitment to developing long-term relationships with our clients and candidates, so that we are able to anticipate their needs and respond proactively,” Matentji confirms.

“Our expertise allows us to thoroughly assess each organisation’s needs, challenges and opportunities, and then identify – using our research-based search techniques – the individual whose talent, experience and personal ambition best matches the organisation’s goals and objectives,” she explains.

The typical Search Specifics candidate is probably overwhelmed by daily employment offers due to their qualifications, experience and knowledge. As much as this is tempting, Matentji urges them to consider whether or not these offers will help them achieve long-term career goals.

“Search Specifics has guided many successful executives. We have the industry expertise to help candidates answer that question and to counsel them on their overall career objectives. It is of the utmost importance that we place our candidates in an organisation where they can grow and excel,” she says.

"We aim to become an integral part of our clients' organisational structure," says Matentji. "We pride ourselves on providing clients with the highest quality and calibre of candidates, while prioritising playing an active role in the careers of our candidates."

Matentji explains that Search Specific's executive search practice is committed to maintaining confidentiality, ethical behaviour and professionalism beyond reproach. "We assist our clients in attaining success by supplying them with the highest calibre of executives, senior managers and directors," she says. "Our candidates are high-level performers who take a long-term view of their careers. They have invested in their careers and came to us because they are looking for a partner to help them achieve success, through placement in an organisation where they will excel."

Another service offered by Search Specifics is the identification of suitable candidates for appointment to a company's board of directors. This includes identification of committee members for specialised areas like risk and audit, operations and human resources.

Matentji, the natural leader

Matentji has extensive experience in search and selection for executive directors, non-executive directors, middle and senior management across a wide range of industry sectors locally and internationally.

While she is responsible for giving strategic direction to the Search Specifics team and positioning the company locally and globally, she runs a very profitable desk alongside the rest of the consulting team. Her expertise has become so widely recognised that she is often invited to participate in panel discussions in the media relating to the executive search industry and in topical discussions around employment and recruitment matters in South Africa and abroad.

Born with the ability to lead, Matentji assumed this role as early as 1997 when she was awarded colours for leadership at Alexander High School. This was followed by a bursary from Dow Chemicals (Sentracheeni) from 1998 to 2000. In 1999, she received a Competent Leader Award from Rhodes Toastmasters, in 2002 she received the

Competent Toastmasters Award as well. In 2001, she was honoured as the Most Outstanding Member of Rhodes Rotaract, which is a Rotary-sponsored service club for young men and women aged 18 to 30.

This gift for leadership, involvement and communication, serves Matentji well. She explains that one of the most crucial elements of her business is getting a comprehensive brief from her clients. "Through getting to the heart of what it is they seek for their business, we are able to identify suitable candidates," she explains.

Finding top talent

Another crucial aspect in running a successful executive search business is ensuring you employ the best possible people for positions within the company.

"Employing the best candidates for positions relative to their specific skill sets, is absolutely vital and economically sensible, as it is more efficient and allows clients to streamline their businesses," she explains.

Candidates are confidentially approached and screened before clients are presented with a detailed shortlist, each candidate's CV and interview notes. Search Specifics then facilitates the interviews between client and candidates for final selection. "Our extensive network – built up over many years of close, collaborative relationships – ensures that we fulfil our clients' human capital needs."

There are two distinctive ways a business or corporation can go about finding the best employees for positions they need filled. The ideal and probably the most commonly used method is to employ the services of a general all-round recruitment agency. "This usually works best for more general or lower to middle rung employment positions, such as general staff or junior management. Using a general employment agency is fine for non-specialised positions, as most require more generalised skill sets, and often relate to multiple positions of the same description, for example, general sales staff."

However, for upper management or positions requiring a very specific set of skills and experience, Matentji recommends employing the services of a headhunting firm. Headhunting services vary in size and capacity and this often

relates to the business sector they generally deal with, or specialise in. "Headhunters focus on a specific profile or criteria, based on a client's brief or needs. The majority of corporate headhunting takes place or involves mostly specialised personnel or top level management positions such as chief financial officer, chief executive officer or chief operating officer for generally larger firms," she explains. Others likely to receive calls from headhunters are very specialised or highly trained personnel such as chief engineers, scientists, designers and developers, analysts and specialised high profile project managers.

It is often a lot more time and cost-effective for firms to use headhunters, because they do not rely on general or bulk curriculum vitae submissions and compiled databases. "Headhunters are proactive and tailor their search criteria according to the client's brief. Generally, headhunting is done within a specific industry, usually starting with the client's immediate competition. It can, however, also include networking opportunities and conventions. All of these events are opportunities for headhunters to find the exact and perfect candidate possible for their clients."

Once a headhunter receives a brief from their client, a basic retainer fee is negotiated and the search begins. After conducting extensive research and identifying potential candidates within the specific industry, a short list is compiled and presented to the client. Once the client has selected the successful candidate, their company is then responsible for ensuring that the headhunting service receives an agreed upon percentage fee that is based on a calculation of the new employee's cost to company salary percentage for their first year.

Search Specifics undertakes an extensive process to prepare the candidate for an interview with one of their clients. This involves briefing them about the company and its culture, and the division they are being considered for. "We also cover topics like self presentation, communication and the standard 'do' and 'don't' rules relating to an interview.

"To ensure that the preferred candidates have correctly represented their accomplishments,

we also facilitate verification of their information, which includes checking the identification number, qualifications and credentials; psychometric testing, to validate competencies and personality attributes; and conducting an in-depth reference check," she says.

A positive future

The company comprises a team of researchers as well as a business development team that builds and maintains client relationships.

"We are currently speaking to an international search firm, with a view to forming a partnership to ensure an even greater global presence and be able to conduct international executive searches, which will enable us to bring skills into the country," says Matentji. If all goes according to plan, the partnership will be in place by March 2012.

"This partnership will enable us to do much more networking and leverage off their contacts in countries where they operate."

The hands-on Matentji manages her own portfolio of clients, besides dealing with the company's day-to-day operations, which include dealing with clients from all provinces across South Africa as well as various African countries. She uses her skills to "create opportunities" for others and enjoys doing things "my own way".

When it comes to broad-based black economic empowerment (BBBEE), Matentji firmly believes in empowering people. "BBBEE is all about empowering people from a skills perspective and making sure they are up-skilling in areas in which they need development," she says. Search Specific's clients are very passionate about up-skilling and take it seriously. The company is recognised as a Level Two BEE Contributor by Empowerdex.

From a staffing perspective, the search industry is not presented to learners as a career option. "Regardless of the industry that a person is in, they can always turn to the executive search field as an alternative choice," says Matentji. Her team of employees has the same passion and drive evident in their leader. "We all work as a team and pitch in and help our colleagues where they need us. This way, we are able to provide our clients with great service, as



Zinhle Matentji, Managing Director of Search Specifics

we are able leverage off each other as a team," she states. "We are very big on training and developing ourselves, and keeping abreast with trends in the industry."

Her management style is admirable. "You can't apply one management style to all employees as they are all different. You have to promote their strengths, while helping them improve their weaknesses, and getting them where they want to be. Most successful headhunters come with the necessary skills they need to make a success of their career, but some things can't be taught. I have to ensure that my team has business savvy, is ethical and has integrity," she stresses.

"Our biggest strength is our research capability. We provide our clients with very

detailed research reports, which include an entire search of their specific industry. In essence, we map the entire industry out for them," she reveals.

While numerous companies struggled through the recent recession and continue to battle in the current tough economic times, Matentji is positive about future growth. "Things have already started to pick up. We are quite lucky in our industry, because people are always on the lookout for skills."

She foresees positive growth for Search Specifics over the next 12 months, even though many companies are much more conservative about hiring new employees at the moment. "We deal with many specialised skills, and there is always a need for them," she explains.



The Business Development Associates Team

Her love and passion for what she does ensures that her team is constantly developed. "In an industry where, if you give it your all, you can pretty much write your own pay cheque, our employees are self motivated and strive to deliver their best for the company and our clients," she says. Proactive in its approach, Search Specifics doesn't sit on its laurels waiting for clients to come for new appointments. "We are constantly on the lookout for people who will add value to our clients' businesses. We are able to do this because we make sure that we understand our clients' company culture," she says.

The nature of the industry is thus that Matentji is constantly on her toes. "There are no guarantees when it comes to working with people. You certainly have to have a thick skin," she observes. Problems are tackled head-on and solutions are found to any problems clients may experience with certain appointments. "Should there be a problem with a particular appointment, our

clients and our team sit together to come up with a workable solution to suit both parties."

Candidate benefits

Search Specifics' candidates benefit from using its services, as they are always guaranteed of confidential representation to prospective employers. "Our candidates can be assured that any opportunity we present them with will fit their specific career profile," she assures. The company conducts face-to-face interviews with its candidates and provides them with detailed information about the prospective position and the company offering it. "We really do have the best interests of both our clients and prospective candidates at heart." This is evident in the number of candidates that Search Specifics has on its books waiting to be placed. "They often call us for career advice or to assist them with negotiations."

There are two sides to every interview. There is the interviewer, whose job it is to try and ascertain whether someone is the ideal person

for the job; and the interviewee, who is trying to get the job on offer. "While it is the responsibility of the interviewer to ask pertinent questions, it is the interviewee's responsibility to present themselves to the best of their ability in order to get selected for the job in question. In both cases, the use of top interview techniques needs to be considered," explains Matentji.

As far as both parties are concerned, there are techniques and strategies they must employ in order to achieve the desired result. The interviewer must consider how the interviewee responds to a series of questions relevant to the job and the company at large, but also relevant to specific psychologies required for that specific role. The interviewer must also gauge behavioural responses and body language, and how the candidate comes across in general.

The candidate must employ a certain psychological strategy to be successful. "It is very important that the candidate not only has a thorough knowledge of the job they are

being interviewed for, but is also completely familiar with the company, its background and history," says Matentji.

There are various key techniques to a successful interview. The candidate should thoroughly research the company beforehand. "The best way to do this is by doing online research, getting information from the company's human resources department or relevant industry publications," Matentji advises. From the interviewer's point of view, there are a number of good, solid, standard questions that they should ask the potential employee or job candidate. The factors that influence the nature of the questions to be asked relate to the specific job, and the personality traits and habits of the candidate.

Typically, a recruiter is guided by the specifications provided by the employer in terms of what candidate to look for. The obvious attributes would be quantitative, in other words, qualifications, period of experience in the field and a track record of delivery. However, also of importance would be the qualitative aspects like culture fit, which a recruiter would assess by personality attributes, energy, passion, priorities and aspirations.

Soft skills are everything. "Technical competence alone will not crack it. One needs to be able to communicate effectively, listen to people, and demonstrate that you care about people's wellbeing in terms of work and personal matters, and have the ability to work in teams and achieve results jointly. If the role is a leadership one, then the candidate has to demonstrate an ability to achieve results through people. Should one be unable to achieve the balance and only focus on hard skills, this could very well undermine one's chances of success in the organisation," Matentji says.

There is also the issue of presentation, both physical and verbal. How one projects oneself sends out messages about how one will conduct oneself on a professional level. Most experienced recruiters are able to establish in the first 10 minutes of meeting a candidate whether they will be the best fit.

If you have the requisite skills and experience for the job, you should be confident. However, there are various factors that can put one ahead of the pack. Companies will often be

impressed by the fact that a candidate has taken the trouble to understand who they are. So preparation is very important. Depending on the role, they may need to understand the reporting structures and how they work, general knowledge of the company's image in the market, current events affecting them and how they are responding. These issues demonstrate a broader understanding of the sector in which they operate and how they can impact the rest of the industry and market. The interviewee may also need to be proactive and engage the interviewing panel in discussion. Speak as if you have the job already and show what an asset you would be if they gave you the opportunity to join the company.

"One of the most important factors that determines a positive outcome is presenting a positive attitude. Avoid any words with negative connotations such as 'can't' or 'don't' or 'no' or 'never'. Be enthusiastic and sincere. It is very important to be honest, and do not exaggerate anything that could possibly come back to haunt you at a later stage," she stresses.

Matentji shows her own appreciation to the community around her, especially when it comes to supporting local black, struggling artists in the Johannesburg city centre. "I am an avid art collector and love to support the wonderful work that these talented artists create," she says.

During her years in business, Matentji has experienced the changes taking place in corporate South Africa. "I believe that women are now taken seriously in the business world. It is all about what you know, who you are and the message you put across. People will treat you with respect if you earn it," she says. "It is wonderful to see a woman secure her rightful place and being given opportunities in the workplace. Many of our clients take empowering women very seriously!" That said, she is aware that many of the top positions are still white, male dominated, but she strongly believes that this is going to change.

According to the 2011 Grant Thornton International Business Report (IRB), while women now occupy almost a third of all

management positions in South Africa, their male counterparts still hold 97% of all CEO positions.

On 25 March 2011, the results of the 2011 Businesswomen's Association South African Women in Leadership Census, sponsored by Nedbank and the dti, were released by the Businesswomen's Association.


BWA president Kunyalala Maphisa said the organisation was concerned at the continued under-representation and the slow pace at which women were being incorporated into the corporate space at senior level and that left to market forces, this will never change.

"Year on year, the census reveals that although there is a slight increase in the employment of women in top executive positions, this increase is minimal and does not represent the large pool of competent women who can take up these positions."

"It is wonderful to see companies making the move to incorporate diversity into their teams. However, a lot more still needs to be done. We need a mindset change," says Matentji.

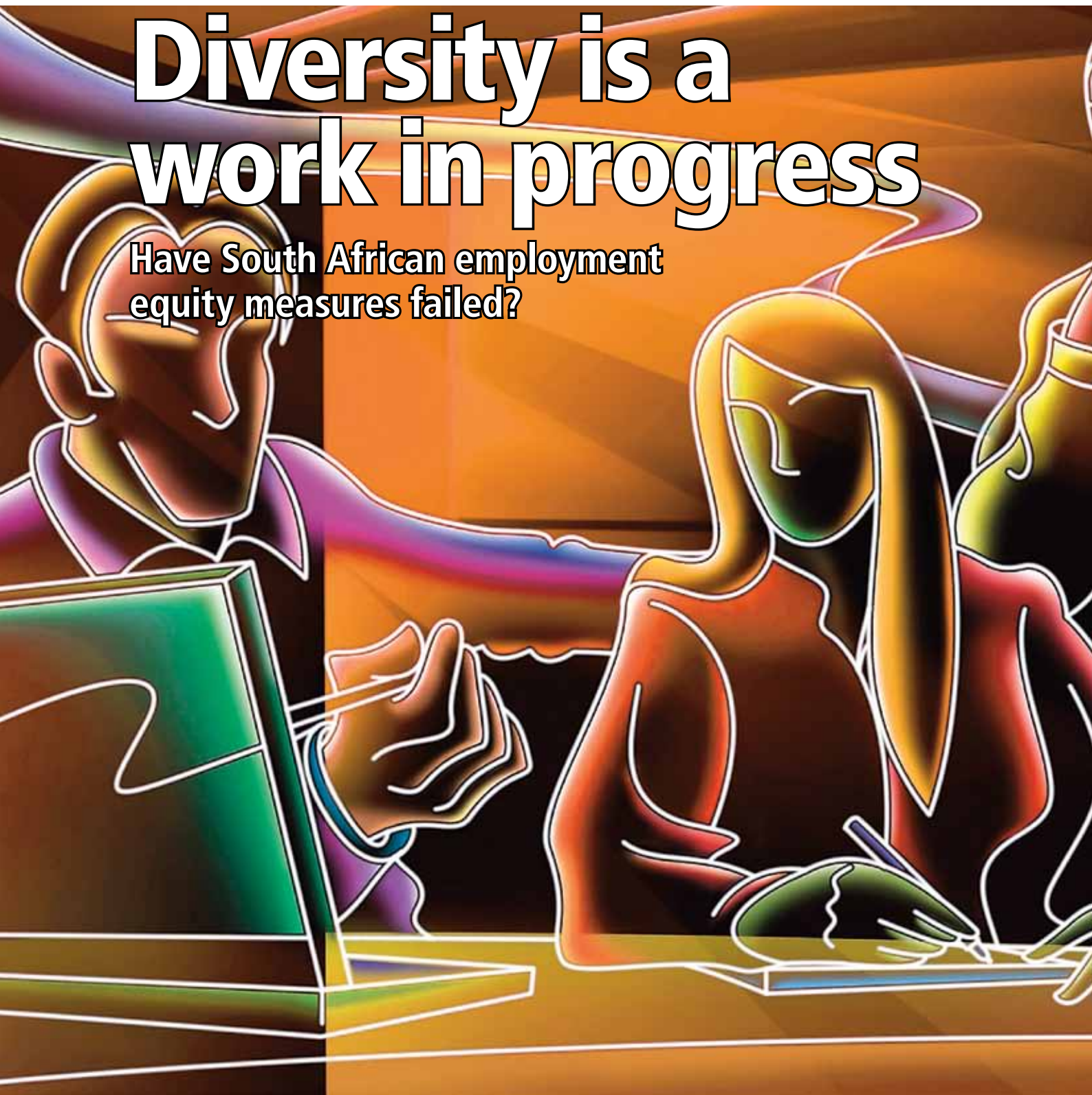
There is still a need for more flexibility in the work place to support women. "People's lives have become so complicated between family and business that everyone is trying to keep up and manage their outputs, specifically working mothers," says the dedicated wife to Karabo and mother to two daughters. This will always be a challenge for working mothers. They cannot find that balance on their own, without the support of their employer. If we want to see a change in the number of top leadership positions occupied by women, business as a collective needs to understand the dynamics and fine balance between a woman's personal and professional life.

She also stresses the importance of family and taking time out to prioritise the time that you spend with them. "I have wonderful support structures in my husband, mother, in-laws and my two brothers, and I live for my little girls, one aged two and the other aged four-months. I want people to remember me for being a wonderful wife, mother, friend and ally. That's what I care about."

Matentji was born happy, motivated and raring to go. "I feel like the world is waiting for me!" 

Diversity is a work in progress

Have South African employment equity measures failed?





The first two decades of post-apartheid South Africa have been times of intense change at all levels of society. A key aspect of this change is economic empowerment: creating space in senior positions in tertiary, corporate and professional organisations for previously marginalised people.

Progress in this regard has been monitored annually by the Commission for Employment Equity (CEE), among other bodies. According to its most recent report, released in early August 2011, there has been very “minimal improvement for black and female employees, particularly in penetrating top and senior management level positions.”

It has been 13 years since the Employment Equity Act was ratified and adopted into legislation.

While presenting the “11th CEE Annual Report 2010–2011” to parliament, Minister of Labour Mildred Oliphant reflected that “despite significant progress made in penetrating the job market by both black people and women at professionally qualified levels, this group seems to have reached a glass ceiling.”

While there has been a slight increase in the numbers of professionally qualified blacks and women, top and senior management positions are still dominated by white males. Recruitment, promotion and skills development trends do not demonstrate sufficient change to result in higher levels of transformation at upper management levels in South African corporations.

Asked whether the Employment Equity Act had achieved much since its enactment, Thembinkosi Mkalipi, the Labour department’s chief director for labour relations, would only confirm that there had been a great improvement in the representation of black people, particularly Africans, in middle management as well as skilled technical and junior management levels. In 2010, African representation at these levels rose by 10.8% (from 20.2% in 2006 to 31.0% in 2010) and

11.8% (from 39.2% in 2006 to 51.0% in 2010) respectively.

He described this as a positive sign that more black people, particularly Africans, are becoming qualified as professionals in various occupations, while acquiring more technical skills. “It is promising to see that there is a growing pool of suitably qualified black people whom employers can recruit or promote to senior and top management positions, where black people, in particular Africans, are grossly under-represented.”

In fact, the Labour department asserts, the 11.8% increase in African representation at the “skilled technical” level is due to the increase of African female representation at this level, which is another great achievement.

Chief executive officer of Cape Town-based Accelerate Cape Town, Guy Lundy – a keen observer and commentator on business trends in South Africa – prefers to focus attention on the positive side of things: “When assessing progress in employment equity achievements, we have to look at the totality of factors that contribute to success or failure,” he argues. “We also have to note and acknowledge the many efforts undertaken by individual businesses in this regard, in order to create conditions for the advancement of black people. Companies such as Engen, KPMG and many others have made commendable progress in establishing internal processes for the advancement of senior black professionals to decision-making levels but, sadly, their efforts tend to be overlooked.

“We also have to look at the role played by the poor quality of education starting from primary, even pre-primary, levels and subsequent education phases up to tertiary level,” he insists. According to him, if we do not get education right, we shall reap the consequences later in life, when people try to integrate various professions.

Lundy further argues that it does not help to have the government and business camping on opposite sides of the debate, with each claiming to be right and the other wrong. “I believe that there is corporate desire, as opposed to corporate will, to help create a bigger pool of black professionals to recruit from. However,



Dr Mvuya Yoyo:
Transformation executive at
Mediclinic in Stellenbosch

corporate desire is passive, with companies believing that it is the job of the government to educate people; while corporate will is more active, with companies taking some of the responsibility in their own hands."

He says there is a need to build trust between the government and business camps: "Both sides display a typically South African attitude of mutual antagonism and seem unable to listen to an opposing viewpoint. More collaboration between the two sides should result in more efficient use of available resources for training and other forms of skills development.

"Furthermore", Lundy continues, "the issue of cultural differences is often underestimated. All South Africans need to be taught to be willing to work outside of their cultural comfort zones. No single corporate culture should dominate and try to bulldoze the others in any corporate setting. It has to be admitted that the success of corporate integration of newly recruited black professionals depends on being aware of and open to cultural differences – something that is not the case in many companies.

"But, importantly, we need to give credit where credit is due and recognise those companies that have made great strides in

implementing employment equity, rather than punishing all of them with the same whip."

Seeing through it all

"Things are not as rosy as all of that if you look at the progress we have made to date," responds Stellenbosch-based Dr Mvula Yoyo, employment equity practitioner at Mediclinic Southern Africa.

"The third Commission for Employment Equity report reflects the situation on the ground. Not enough has been done by business to bring about real change through employment equity. It seems to me that many businesses do not realise that it is not enough to simply bring black professionals into their companies."

According to him, having recruited skilled black professionals is only the first step to successful transformation. The next step should be to create measures that make black professionals feel welcome and properly integrated into the company. This, Dr Yoyo argues, is not a demand for special treatment for blacks, but an effort to raise awareness of the possible impact of an unchanged corporate culture on new recruits.

While apartheid-era corporate culture had a clearly Eurocentric bias, post-apartheid corporations in South Africa have to consider a more multicultural environment aimed at making all employees welcome, irrespective of their cultural background.

"Language use, for instance, has reportedly driven black professionals away from companies, especially in the Western Cape, where business meetings and internal communiqués are sometimes carried out in Afrikaans – a language that, clearly, many black professionals do not speak," argues Dr Yoyo. According to him, insensitivity to such concerns does not help companies effectively implement employment equity measures.

But he acknowledges that South Africa's education system has still not fully recovered from apartheid-era fragmentation, particularly as far as quality is concerned. "Most blacks do not start their education in the best-equipped preschool and primary school environments," he explains. "Throughout their school-going years, they have to make do with ill-equipped

libraries and laboratories; and some of the teachers are either badly trained or lack motivation. All these factors have to be attended to in order to ensure the right skills are taught as early as possible; and that young tertiary graduates assume professional responsibilities, having been well prepared for them throughout their schooling.”

Dr Yoyo acknowledges there are some shining stars out there, in terms of companies trying to do the right thing, but that these are still the exception rather than the rule.

Companies that make an effort to implement employment equity measures should be recognised and encouraged – even incentivised – to do more.

“I do not think that adopting the punitive approach, as recommended by the proposed amendments to the Employment Equity Act, would be the right way to go because we will end up with companies just aiming for numbers instead of quality. This will result in the wrong people being employed, making a joke of employment equity efforts,” Dr Yoyo cautions.

He proposes that companies set employment equity targets and that managers keep themselves informed of the company’s black economic empowerment status. This, he argues, could be part of the line managers’ key performance indicators which, if not achieved, would negatively affect their performance appraisal.

Setting employment equity targets as part of a management incentive scheme would have positive spin-offs, as managers would be more proactive in putting systems in place to reach their targets. When external legislation threatens companies with punitive measures, the managers may believe it does not concern them directly, and that only the company would be penalised.

Studies have shown that while in many instances companies have embraced employment equity on paper, line managers are ultimately responsible for making it work – both in terms of recruitment and in effecting promotions, as well as in ensuring an environment in which all employees feel welcome to work for the company.

Mkalipi agrees with Dr Yoyo’s assessment that there has been some progress over the years, but supports the proposed harsh penalties on defaulters. “If companies do not comply with the provisions of the Employment Equity Act, they should be fined harshly. These fines should comprise a percentage of the company’s turnover, instead of the fixed actual amount

“The captains of industry must start walking the talk in relation to transformation,” argues Mkalipi. “We want to see them commit to the transformation of their companies’ top and senior management levels, through the development of concrete succession plans. Private business should invest more in developing skills and start

Employment equity stipulates paying the same salaries for the same jobs, regardless of race or gender

regulated in the act. Enforcement mechanisms should also be simplified in order to enable a quick prosecution of defaulters of the law and, as a result, expedite the implementation of the act,” he argues.

“The captains of industry should start taking employment equity more seriously. Companies must have clear succession plans that take advantage of the growing numbers of black professionals, and integrate them into their structures. They should accord equal recruitment and training opportunities to all designated groups, including people with disabilities, and not limit themselves to promoting white females and Indians to senior positions. This is something that, when one looks at the numbers alone, seems to be a growing practice out there.”

The Department of Labour contends that employers should no longer use the old excuse that there is a dire shortage of black professionals, as more recent statistics have shown that their numbers have grown steadily in recent years.

There are many unemployed black professionals, in particular Africans and coloureds, who are not benefiting from on-the-job training opportunities or gaining experience in the formal sector.

seeing transformation as an integral part of sustaining business, not simply as an uncomfortable obligation,” he concluded.

It is clear from the arguments advanced in this article that much still needs to be done to showcase those black professionals who have successfully integrated at the senior and top management levels of South African corporations.

The quality of the education a person receives plays a crucial role in determining the success of their professional integration at a later stage in life.

Furthermore, the result of many decades of domination by one culture in corporate South Africa is still felt today.

Lundy and Dr Yoyo made a good point in singling out corporate culture and the need to look at the totality of factors, including language use, that stand in the way of successful implementation of the Employment Equity Act in corporate South Africa.

A very important aspect of employment equity, however, is paying the same salaries for the same jobs – regardless of race or gender. **BBQ**

Solly Moeng



The Black Knight

Had Dr Sam Motsuenyane been a British subject, he would long ago have been knighted for his services to entrepreneurship

He is a black business pioneer; a banker and business leader with the heart of a farmer, who agrees with suspended ANC Youth League leader Julius Malema that economic liberation has yet to come. But he believes black South Africans should go out and liberate themselves by becoming job creators instead of waiting around for the government to take the lead.

Recalling his own experiences, he has very recently published a book that he hopes will inspire the current generation of young black South Africans to do more to achieve what they rightfully should.

His name is Dr Sam Motsuenyane, and he has become synonymous with the African Bank and the National African

Federated Chambers of Commerce (Nafcoc). He is considered by many to be the father and doyen of black business in this country, and one of South Africa's most respected business leaders.

But despite all this, his passion – from a very early age – has always been farming. He believes the government is not doing enough to assist emerging farmers and is not utilising the potential of agriculture to create jobs. Putting his money where his mouth is – as always – Dr Motsuenyane himself, despite being a sprightly 84 years old, still oversees the daily farming activities of the Winterveld United Farmers Association.

He started this project some 10 years ago, and today the farmers under his guidance produce 100 tonnes of oranges every year. Most of it is juiced and sold to large retail chains.

Dr Motsuenyane has just published his autobiography, *A Testament of Hope*, in which he draws on a lifetime's worth of rich and varied experiences.

"The book is intended for the black business community as well as the youth – especially black youths. I wrote it to try and recapture the spirit of the pioneers, to convey how we struggled to establish organisations in very difficult times. Better times have now come, but more should be done. The attainment of freedom means that we must now dedicate our future to working harder, in order to receive the full benefits of our freedom," he says. Does this mean Malema has a valid point when he calls for economic liberation?

"I said it many times, long before Malema was born. I was telling the country that, even though we were aspiring and working hard toward political liberation, our ultimate journey was much longer. We also have to achieve economic liberation. This was the top subject at all the meetings of Nafcoc since the 1960s," he says.

"The new ideas that could emerge after reading this book are intended to stimulate, encourage and inspire our youth, especially our black youth, to stand up and be counted. We need to see more and a spirit of creativity, innovation and entrepreneurship emerging from their ranks."

For Dr Motsuenyane, it all started when he was born on 11 February 1927 on the farm Eignaarsfontein, where his parents worked as sharecroppers on a system called *derdedeel*. Under this system, which operated in large parts of South Africa in the 1930s, the big landowners – who could not make use of their land – organised black people with a strong work ethic to run these farms and then share the crop. A third of the harvest went to the owner of the farm.

very few education opportunities. We had to walk great distances and also had to divide our time between schooling and working on the farm. I would have liked it if that burden had been a little bit lighter.

"But I am happy that better times have come. Our children have many doors of opportunity open to them that ought to be used," he says philosophically.

It is from such early hardships that Dr Motsuenyane draws valuable lessons for the

"I am happy that better times have come. Our children have many doors of opportunity open to them that ought to be used."

He gives a fascinating insight into his ancestral roots. His family are descended from the Bakwena ba Modimosana tribe, whose ancestral home is Molokwane, situated about 30 kilometres west of the town of Rustenburg.

In the book, the fortunes and tribulations of Dr Motsuenyane's family are interwoven with the development of South Africa's history from the 1820s, when his tribe were driven from their ancestral land by the raiding Mzilikazi, and moved to the Free State. It would be many decades later before they would return.

The Great Depression of the 1930s drove his parents from their farm to Krugersdorp, where his father worked as a labourer and his mother as a domestic worker.

Both parents were deeply religious people, a trait Dr Motsuenyane inherited. He devotes a substantial part of his book to the role religion has played in his life and his involvement in the church and the Boy Scouts movement.

I ask him whether, if given the chance to start all over again, he would have lived his life any differently. "I believe that I would do things very differently for myself," he responds. "I grew up under very difficult circumstances. I grew up in the countryside, and there were

young people of today, saying it was exactly that which motivated him to succeed.

"People who succeed in life are often those who started off under difficult circumstances and worked their way up to achieve success through perseverance. Our children these days sometimes have it so easy that they hardly ever have a goal in life. It is the responsibility of the parents or other adults to redirect our children's vision so that, quite early in their lives, they can have a desire to achieve something. They should live to become achievers."

He relates how his family moved around and eventually settled on another farm. In the process, they met many whites who were impoverished after the Anglo-Boer War, in which his father had fought.

"A question that I always ask myself is: How did the poor white problem disappear over time? How was it handled and eliminated, ultimately? Today there is much talk about black poverty, but what we need to do is to go back to the drawing board. There has been poverty in the country before," says Dr Motsuenyane.

"For instance, we can look at how the Afrikaners rose from the depths of poverty in the 1930s to become a group of prominent,

well-organised businesspeople. We can look back to the 1910s when organisations like Volkskas and Sanlam were formed – how they were started and why.

“All of that inspired us very much to initiate the African Bank much later. We looked at prominent Afrikaner pioneers of that time, such as Willie Hofmeyr, and we believed that if the Afrikaners – who were financially and economically very subservient after the Boer War – could rise to become rulers and leaders of our country, we could aspire to reach similar heights,” he explains.

“And here we are, many years later, with a black government. However, that is not enough. If we want to increase our influence in the affairs of our country, we will have to extend our influence in the economic sphere.”

He would like black people to buy shares and take back control of African Bank

Although his education was interrupted at times due to a lack of funds, Dr Motsuenyane was the only member of his family to advance beyond Standard Six, eventually going to the United States on an exchange programme, where he obtained a BSc degree in Agriculture from North Carolina State University.

After obtaining his Junior Certificate in 1946, he left home in search of work in Johannesburg. There, he worked alternately as an office boy, messenger, factory labourer and cleaner. It was also there that he had his first taste of the infamous pass laws.

After finishing his Matric through correspondence, Dr Motsuenyane trained as a social worker and was sent to Cofimvaba District in the Transkei, to work on a project that operated in rural communities.

In 1953, while living in Johannesburg’s Alexandria township, he met his wife, Jocelyn.

Dr Motsuenyane says he cannot single out any particular part of his life as being the most important. “I think all the different areas in which I was involved over the years were all very important for our country.”

He became active in establishing a national soil conservation movement in the 1950s, and worked in rural development and agriculture. He later served as national organiser of the African National Soil Conservation Association.

In 1959, he was selected for the US/SA leadership exchange tour to study the methods and programmes of the US Department of Agriculture in the northeastern states.

When Dr Motsuenyane returned from the US, a shiny degree in hand, Nafcoc was being formed and he was almost press-ganged into it. He says he was “hijacked” by Nafcoc, as he

was unwilling to leave the agricultural sphere at the time.

“But the businesspeople said, ‘We need your knowledge of agriculture as a business. You must come here (Nafcoc) and join us.’ So I did; and for the next 24 years, I was president of Nafcoc – and they never wanted to let me go,” he recalls.

“And there we had the opportunity to pioneer black institutions for development: African Bank, Black Chain, the African Development and Construction Company, and many others. We established a scholarship fund, in which I played quite a prominent part. And, so, I cannot look back at that chapter and say we did nothing.”

African Bank

In his book, Dr Motsuenyane looks back on how the African Bank was established: from the overly ambitious enthusiasm of well-known

Soweto entrepreneur Richard Maponya, who suggested collecting some R18 million in start-up cash in one year, through donations of R1 each from ordinary black South Africans; to the reality of collecting only R1m in start-up funds over 10 years.

He relates how the government of the day put obstacles in their way and forced them first to establish the bank in the various Bantustan homelands, before allowing it to operate in the “white” cities.

The bank remained weak on the equity side, and fell foul of the South African Reserve Bank’s required deposits-to-equity ratio. As a result, the bank had to be bailed out by other groups, and black control was lost – something that clearly does not sit well with Dr Motsuenyane. He states in the book that he would like black people to buy shares and take back control of the bank they created.

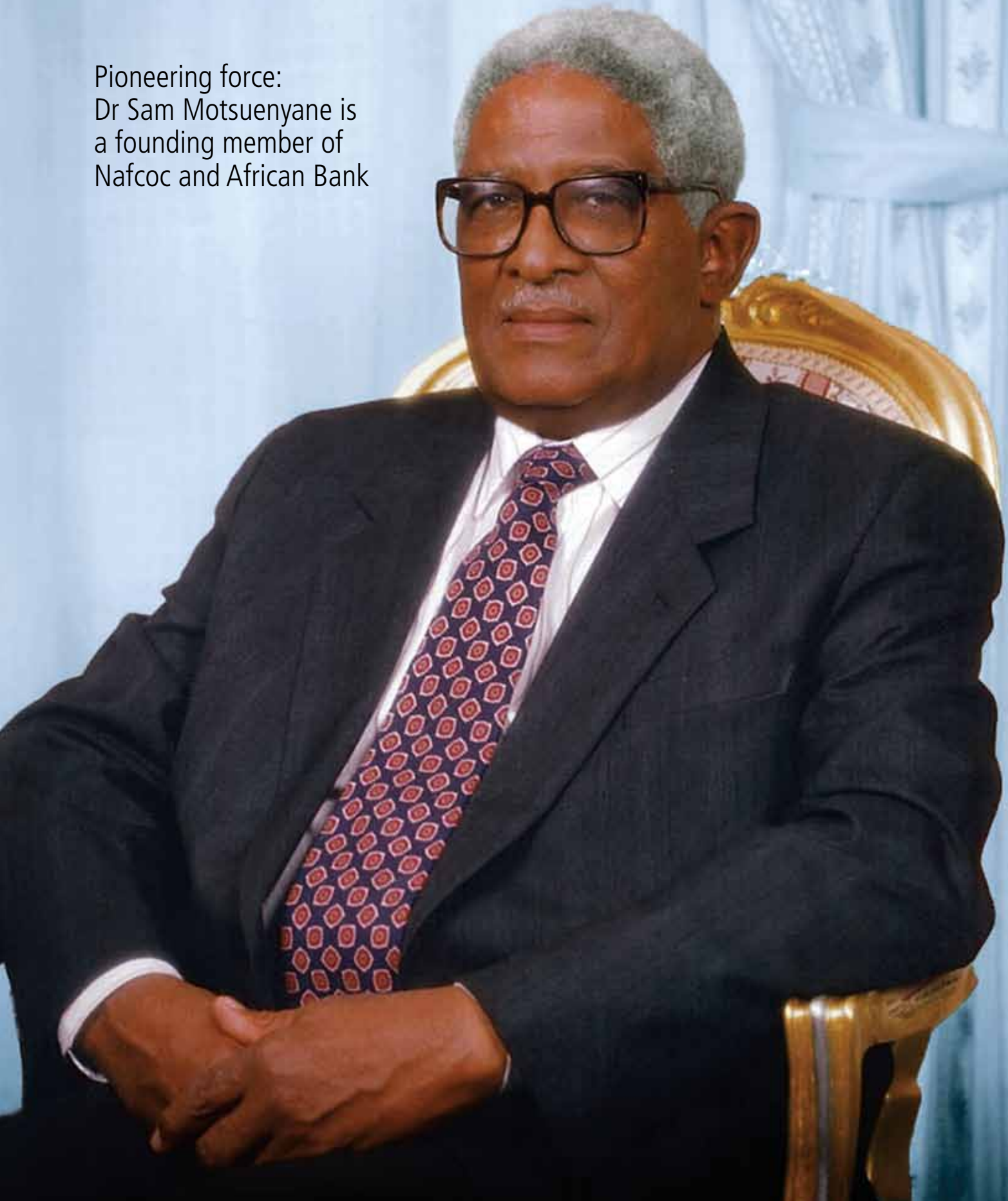
He lists among his early role models and mentors people such as SJJ Lesolang and his brothers, who were pioneering black entrepreneurs; the Afrikaner Willie Hofmeyr; the erstwhile chairperson of the Johannesburg Chamber of Commerce, Cyril Pearce; the Afrikaner businessman Anton Rupert; RV Selope Thema, a veteran black politician and early ANC leader; Richard Maponya, a Soweto entrepreneur; JJ Makgetha, another Soweto businessman; and others.

Dr Motsuenyane capped it all with a stint in politics. Although he had joined the ANC at an early age, he preferred a back-room political role. In 1989, Nelson Mandela invited him to Victor Verster Prison for talks prior to his release, and in 1994 he was elected leader of the Senate (now the Council of Provinces). In 1996, he was appointed South African ambassador to the Gulf countries of Saudi Arabia, Kuwait, Oman, Bahrain and Yemen.

Finally, Madiba allowed him to retire – but that is not what Dr Motsuenyane did. “For me, there will be no real retirement: there is so much more still to be done. As a late friend of mine always said: ‘We are so far behind that we are not even allowed to sleep’.” **BBO**

Stef Terblanche

Pioneering force:
Dr Sam Motsuenyane is
a founding member of
Nafcoc and African Bank



Business United

Busa chief extends olive branch

Business Unity South Africa (Busa) has not suspended its firm vision for a unified and fully representative organisation that contributes to a vibrant, transforming and growing South African economy.

Busa's chief executive officer Nomaxabiso Majokweni foresees a very constructive engagement with the Black Business Council (BBC), if the latter decides to join with Busa to form a unified black business voice.

In a wide-ranging interview with *Black Business Quarterly*, she revealed that the organisation had already spoken to President Jacob Zuma, and that it had recommitted itself to the need for business to unite behind addressing South Africa's economic challenges.

Furthermore, Majokweni spoke about the embarrassment the Busa leadership suffered

comprehensive, in that they cover a broader array of issues which, if effectively dealt with, stand to make a bigger, more positive impact on the South African economy.

The BMF is merely one of 14 black business organisations that form part of the BBC.

Responding to BMF critique

The BMF fired a broadside at Busa, saying that its structure was "fundamentally flawed, with the voice of black business permanently outnumbered and suppressed."

Asked to comment, Majokweni said the Busa structure and constitution was one of the issues about which the BBC and Busa would engage in discussions. "Like any other organisation, Busa is not immune to the evolution that is often brought about by changing circumstances, a rethink on issues that were perhaps not factored into the original thinking, and generally the dynamic nature of the environment organisations operate in.

In her reply, Majokweni said that the only documented evidence of these allegations she had, was contained in the memorandum substantiating reasons for the BMF's resignation from Busa. Besides this, the other acknowledgment of some of the structural shortfalls was contained in a Busa strategy review process that began in 2010.

"To me, this can only mean that Busa had already begun a process of internal review and assessment of the organisation's structural effectiveness as well as its own business strategy," she stated.

"The matters under discussion with the BBC are broader and more all-encompassing than the mere organisational constitution and structure.

"To me, this approach stands to achieve much more than one focused only on the organisation's structure. The outcome of our current engagement with the BBC stands to be more far-reaching and impactful on South Africa's economy," Majokweni added.

"Obviously, there are historical overlaps between black and small businesses versus white and big businesses"

recently when it was ejected from the Black Business Summit, where President Zuma delivered the keynote address in September this year.

The CEO claimed that the matter of the Black Management Forum's resignation from Busa had been overtaken by current constructive engagements that Busa had begun with the BBC. These engagements are far more

"These undesirable consequences of being outnumbered are also exacerbated by lack of suboptimal participation in structures and processes that lead to Busa positions on issues."

The BBC raised criticism that individual black organisations have tried, unsuccessfully, to introduce reforms in the manner in which Busa is constituted and functions.

Black Business Summit

Majokweni and Busa president Futhi Mtoba were unceremoniously kicked out of the Black Business Summit in September.

The Busa CEO expressed her view on the matter, saying that among the reasons given was that Busa was going to be the subject of discussions at the summit, so it would not have been ideal to have its representatives in the room when these discussions were taking place.

"Of course, we were disappointed, as it was our understanding that the session we were to attend was an open one, at which President Zuma was to give his keynote address – to which even media was invited," she noted.

"However, as Busa leadership, our resolve remains the focus on ensuring business' contribution to addressing the economic



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New broom:
Busa CEO
Nomaxabiso
Majokweni

challenges of this country. Nothing will take our eyes off that.

"Being asked to leave a conference is a small side issue in the scheme of achieving our broader objectives," Majokweni added.

Asked if black businesses are possibly not acknowledging that businesses, nationally, speak in a non-racial and democratic voice, she said the current black and white business

debate is a microcosm of a similar debate in South Africa. It is not unique to business.

"Obviously, there are historical overlaps between small, black businesses and big, white businesses. Yet, there is a sense that we need to start looking at business challenges and issues as being concerned with big and small businesses, rather than racial divisions," she added.

"We have legislation in this country that we have yet to fully implement, which addresses racial and other historical imbalances.

"However, through business organisations such as Busa, we need to maximise business contribution to economic transformation and address issues that confront business – small and big," Majokweni emphasised.

Of mentors, convention centres and attachés

Her mantra rests on 'raising the bar'. It is a principle she learnt from her mother, who inspired her constantly to redefine success and believe that nothing was impossible. Her mother also reminded her to laugh and be happy while constantly pursuing excellence.

"I have a number of other leaders who have helped shape my leadership view and style," Majokweni said. "Generally, rural women I grew up around taught me the art of leading naturally with sharp insight, persuasively and living ahead of your time. What they manage to achieve without much is amazing."

She said the highlight of her stint as CEO of the Sandton Convention Centre was leaving a legacy that proved transformation is, in fact, a business imperative that ensures business sustainability, and not a side issue or nuisance to business.

Majokweni was able to grow the business and create shareholder value, while driving transformation and black economic empowerment (BEE) through preferential procurement, employment equity, skills development, enterprise development and social responsibility programmes.

In fact, the Sandton Convention Centre owes its continued commercial sustainability both to its market position as well as its transformation policies.

Majokweni was a commercial attaché for the Department of Trade and Industry in Hong Kong and Washington. Her work involved increasing South African exports to the host country, as well as recruiting foreign direct investment in South Africa.

This was a role that prepared her for her current position at Busa, as she was involved in articulating business positions on relevant

government economic policies. This was aimed at ensuring the climate created by these policies and legislation was competitive and conducive to business growth and development.

"Busa is a business organisation. The responsibility of promoting South Africa as an investment destination, as well as promoting South African value-added exports, meant directly interfacing with business," Majokweni said. "I am, therefore, acutely aware of what drives business investment decisions, competitiveness factors, industry sector features and drivers, and business needs in general."

Vision

Her vision going forward is that of a unified and fully representative Busa that contributes to a vibrant, transforming and growing South African economy.

The organisation aims to ensure organised business plays a leading and constructive role in the formulation and delivery of the country's inclusive economic growth, development and transformation goals.

Busa must continue the sterling work it has been doing on policy advocacy, and being the voice of business at national social dialogue platforms such as the National Economic Development and Labour Council (Nedlac), Majokweni added.

The New Growth Path, the Industry Policy Action Plan and broad-based BEE, among others, all constitute a good base from which Busa will escalate its work on economic empowerment.

Too soon to panic

Majokweni remains upbeat about the future of black business and of business in general in the Rainbow Nation. The recent apparent rift is no reason for alarm, she advised.

"One of the key reasons black business decided to 'step aside' and suspend their membership from Busa, was to give themselves space to do deep introspection, consolidate and come out with a common black business vision regarding what black business should stand for, promote and contribute toward," she added.

Should the BBC rejoin Busa, Majokweni foresaw a very constructive engagement with a united black business voice going forward.

Unemployment issues

United business in South Africa has work to do, she said at a recent Nedlac conference. The recent Quarterly Labour Force Survey by Statistics South Africa has not painted a pretty picture. It indicated that while the economy

very concerning fact that FDI [foreign direct investment] in South Africa declined by 70% last year – for the fact, in other words, that investors are voting with their feet.

"Against this backdrop of declining foreign investment, let those of us who feel the need to question the link between investment and economic growth look no further than the recently released growth statistics for the second quarter of 2011.

Majokweni remains upbeat about the future of black business and of business in general in the Rainbow Nation

has created 64 000 more jobs in the 12 months leading up to the end of the second quarter of 2011, unemployment surged to 25.7%.

The country may have created 152 000 more jobs than the low point it experienced in the third quarter of 2010, but it is still some way off the 500 000 jobs that South Africa requires to create per annum, if the nation is to achieve its overarching national goal of creating five million jobs in the decade up to 2020.

The growth of any economy requires investment in that economy; but given the dynamic nature of markets, that there will be investment in any given economy can never be regarded as a *fait accompli*.

Rather, investment is enticed by competitiveness, which is predicated on certainty, predictability and efficiency.

Distressing signs

"And let us be under no illusions," cautioned Majokweni. "We need to be asking ourselves serious questions about the competitiveness of our economy: if not for how it fares in international indexes measuring competitiveness and efficiency, then for the

"At an annualised rate of 1.3% of GDP [gross domestic product], it disappointed even the most conservative spectators," she said.


Building blocks for boosting growth

South Africa needs strong social dialogue to focus all stakeholders on encouraging growth in employment-creation activities.

Furthermore, systematic changes are required to mobilise domestic investment around activities that can create sustainable employment.

The most basic building blocks for boosting growth and narrowing the wealth gap require that the government is coherent, effective, transparent and accountable on economic policy implementation.

South Africa must further ensure there is a macro-economic policy in place, which supports growth and employment single-mindedly, Majokweni said.

The country must ultimately focus on ensuring the basics are in place to make the most of its human resource endowment, she concluded. 

Fanie Heyns



Thabo Sehume
Director: Employment Enabler Foundation

Accelerating Employment Enablement

The Employment Enabler Foundation of South Africa vows to equip those less skilled to find employment

Changing the current mindset of employers, employees and the unemployed so they can engage with one another in finding a solution to unemployment is the number one goal of the Employment Enabler Foundation (EEF) of South Africa.

Founded on values and principles entrenched in ubuntu, the Foundation wants all citizens to be responsible for empowering those that are currently unemployed, to get them better equipped for participating in the formal employment arena. Chief executive officer and founder of the Foundation Thabo Sehume believes that the first point of engagement with the unemployed should be through the currently employed.

Sehume says, "The current layout of our employment infrastructure is not really ideal for fostering this type of change in the market, in fact it is hampering change.

Currently, the number of people who get formal employment through recruitment agencies only accounts for 10% of all secured employment positions.

"Recruitment agencies are actually slowing down the process. They are not an enabler, they are a hindrance. So if one understands this then one has to use the latest technology to get everybody up to speed."

Sehume says to a large degree employers are already doing it themselves by using their current

staff to help them source people and posting their own ads in newspapers and on the internet.

"There are more people unemployed in the townships, informal settlements and rural areas than there are people who have work to go to each day. If you take those who are currently employed, and are able to get in touch with them through various means of communication such as advertising and e-mail campaigns, you could get them to facilitate the empowerment of the unemployed. They would be able to give the unemployed advice on making use of the limited resources available to them," he explains.

Although relatively new, the company commenced operations in September 2001, the EEF has started planning and implementing some exciting projects. One such project is the eBook or Job Seeker's Handbook that they will be publishing very soon. It is intended to educate people on how to get employed. The step-by-step instructions shows you how to prepare and market yourself adequately and how to conduct yourself once you get a job. The eBook is going to be available online and via SMS.

The Play it Forward Mzansi Employment campaign is another one of the Foundation's most current and exciting projects. The Foundation used the playing it forward analogy because in the rural areas the person who starts the race is not the person that entered the race or finishes it. The Foundation wants to encourage South Africans to take the baton and pass it on to the next person to run a good

race. This can be achieved by touching their lives in a positive way, which will encourage them to run the race and finish it. It has been recognised that not many people have the means to begin to run the race; they need to be equipped with skills that will allow them to fend for themselves. Sehume would like to see the employed touch the unemployed and, as a Foundation, they will run above-and below-the-line advertising campaigns to remind the nation that it is everybody's responsibility to create a chain in the fight against unemployment..

Sehume says the Foundation is "not creating employment, we are enabling employment creation. Nobody creates employment. A company that decides to open a factory is a company that has a budget and a target, etc. Their sole purpose is not to create employment; it is to create a business, an opportunity for them to make money."

Where would Sehume like to see the Foundation in the next five years? "I would like to see the campaign changing people's lives and give people opportunities. We are launching the *Jobseeker's Handbook*, we are also launching the website which is called *mzansiconnector.co.za*. We want to prompt people into action."

The Employment Enabler's strategy is fresh and innovative, one which will be making a great difference in the lives of many unemployed South Africans.

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Setas told to streamline

Minister Nzimande calls for better governance

Minister of Higher Education and Training Dr Blade Nzimande has urged the country's sector education and training authorities (Setas) to improve their governance standards as well as to act decisively against any forms of corruption.

Seta chairpersons needed to focus their efforts on turning around the negative perceptions that the South African public had of Setas, Nzimande said.

"Improving governance, accountability and accessibility will go a long way toward addressing these negative perceptions," he said at a meeting with the chairpersons of the country's 21 Setas on 29 November 2011.

The minister called on Setas to strengthen the systems currently in place to ensure money was spent prudently.

"I would like to urge you that where there are transgressions, including corruption, chairpersons – together with their boards – must act decisively, without fear or favour. Under your leadership, I expect nothing less than clean governance," Nzimande added.



An important task facing the country's SETAs was the finalisation of service level agreements (SLAs) with the department for the 2012/2013 financial year, so that critical development challenges South Africa was dealing with could be addressed.

"These SLAs should have very concrete and measurable objectives and goals, as part of the realisation of the National Skills Development Strategy III," the minister said.

He called on the chairpersons to assess progress with regard to the SLAs, the developments of sector skills plans and matters of governance.

Setas further needed to come up with concrete plans in response to some of the government's urgent projects such as the development of green and nuclear energy.

The minister said he wanted to see Setas located closer to the people, noting that head offices were situated in suburbs – contributing to the perception that they served to benefit service providers instead of beneficiaries.

"It is often correctly argued that it is service providers to the Setas, many of whom are located in the upmarket suburbs in our cities, who easily access Setas for business opportunities – often at the expense of the training needs of the majority of the poor who desperately need the services of the Setas.

"In light of the above, I expect that as part of our SLAs, Setas will have to start opening offices in townships and rural areas, so that their services are closer to the people. Ideally, every public FET [further education and training] college must have a Seta office as part of facilitating the work placement of college students and graduates," Nzimande stated.

The minister commended the chairpersons for their role in turning around the Seta system, so that it responds effectively to the change of skills developments in an inclusive economy. **BBQ**

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Medupi Power Plant (Lephalale, South Africa)

Medupi Power Plant is a 6 unit dry-cooled coal-fired Power Station located in the Limpopo Province. Rated at a total installed capacity of 4788 MW, Medupi will be the second largest dry-cooled coal-fired power station in the world after Kusile Power Plant. BKS was appointed as the civil designer and part structural designer for the Boiler Island (Hitachi) and Turbine Generator Island (Alstom) Contracts, the two largest contracts on the site.

BKS' scope ranged across several disciplines including geotechnical work, stormwater, civil and structural design.



Gautrain (Gauteng, South Africa)

Gautrain Rapid Rail Link is a Public Private Partnership project consisting of an 80 km new rapid rail network of which 15 km will be underground with 10 stations. 24 trains with four coaches each will be provided. 125 buses operating on 430 km Gautrain bus routes will be providing a feeder and distribution service.

BKS as part of the transaction advisor team during the feasibility and procurement phases, is responsible for, amongst others, project coordination, procurement of land, development and monitoring of the compliance of the Concessionaire to socio-economic development requirements. The company is also part of the design review and construction supervision team.



Khartoum Water Treatment Works (Omdurman, Nr. Khartoum, Sudan)

The Omdurman water supply scheme and optimisation project, is the design of the 200 Mℓ/day Al Manara Water Treatment works, including structural steel intake pump station with moveable pump platforms (8 pumps), conventional treatment works with additional pre sedimentation unit process, compact design due to size of site, admin building and sludge handling system.

The project entails 22 km of ductile iron pipelines varying in diameter between 1400 mm (raw water - 1km), 700 mm (7 km) and 400 mm (3 km). BKS project scope is for process, civil, mechanical and preliminary electrical design, including water quality aspects, durability, hydraulics, earthworks, structural design, pavement design, seismic design and associated elements.



United Manganese Kalahari Mine (Northern Cape Province, South Africa)

BKS has been involved with the mine since June 2008. The scope of work for this project included the design and tender documentation for all the infrastructure requirements for a new Manganese Mine at Mamatwane, near Hotazel in the Northern Cape Province, including the bulk earthworks, water connection and storage, sewerage treatment plant, railway sidings, storm-water reticulation, haul roads and roads to the plant area including the contaminated and clean storm-water reticulation and storage facilities.



Azezo - Metema Road (Amhara, Ethiopia)

The 185 km Azezo - Metema road is located in the Amhara Regional State (Gondar Administrative Zone) in the North - Western part of Ethiopia. This road section is part of the Trans - Africa Highway and links Ethiopia with the Sudan. The road is important for promoting trade and investment between the two countries. The functional classification of this road is a Class III, Main Access Road but the condition of the existing gravel road was poor. Following the completion of design by BKS, the company was further appointed for the contract management and construction supervision of the two construction contracts.

A born entrepreneur

Pamodzi, which literally means "togetherness", embodies the spirit with which Ndaba Ntsele conducts business

Currently enjoying the lime-light as the chief executive officer of one of South Africa's largest investment companies, Pamodzi Investment Holdings, Ndaba Ntsele has proved that perseverance and hard work do pay off. The company has been actively involved in technology, food and beverages as well as financial resources, to mention a few sectors.

Pamodzi Investment Holdings – the Black Management Forum's "Progressive Company of the Year" for 2007 – is the fund adviser for the US\$1.3-billion Pamodzi Resources Fund I (PRF).

The PRF seeks to deliver superior financial returns for investors and partners, through investing in the resources and mine-to-market infrastructure sectors in sub-Saharan Africa. With support from the South African government and the private sector, the fund is uniquely positioned to capture rapid growth in the sector.

"The journey to do anything in life is not an easy one: you have to work hard, you need to be action-oriented and don't have to fear the unknown," says Ntsele.

"When we were growing up, there were a lot of things imparted into our brains by colleagues, family and everyone around us, which now hinder our progress because such indoctrination holds us back. Constant reminders that you cannot be as successful as the Nicky Oppenheims or the Warren Buffets of this world, on account of your skin colour; and that, as an African, you cannot own a conglomerate that employs 10 000 people, or be involved in mining, are dominant.

"There are also a number of areas perceived as white domains, but the bottom line is that we are all the same in all senses," he adds.

Ntsele subscribes to the ideology that colonisation contributed to the sense of inferiority felt by most blacks. Characteristically, one is always wary that one cannot attain a certain level of success. In that case, whatever one does, one is limited in that one never aspires to the next level.

"People will try to put you down; but whatever they say, you must always be ready for it, so that you are able to pursue your goals irrespective of the negativity that surrounds you," he says.

"These are the things that you must condition your mind to. Once you have done that, when you talk to a financial institution or business partners, they will see you know what you are talking about because of your confidence and authority."

Raising funds

Ntsele is the first black diamond site holder, who initially bought rough diamonds for polishing and sold these as jewellery. He later sought and secured bigger loans from the likes of Standard Bank of South Africa director, Conrad Strauss.

"The raising of money started when apartheid was finally banished to the annals of history in the early 1990s. Different things mattered to different people then: some were excited by the prospect of voting for the first time; others relished the idea of attending previously white academic institutions; and there were those who prioritised moving into affluent suburbs," he recalls.

But the new dispensation meant a completely different thing in his perspective. Before then, Ntsele had resolved not to comply with apartheid restrictions; a prime example of his defiance was buying a house in Bryanston, then a whites-only area.

When multinationals divested from South Africa, he saw it as an opportunity to own one of these big corporations.

"My mind was alert to the fact that the world was now my oyster. My idea was to own a multinational, and I fixated on owning McDonald's, but this failed to materialise in 1989," Ntsele says ruefully.

Cyril Ramaphosa is now the South African country franchisee for McDonald's.

Ntsele and long-time business partner Solly Sithole were granted a licence to bring sportswear giant, Nike, back to South Africa in 1992, which they later sold in 1997. "I wanted to grow the company, but couldn't get money locally," he says.

That is when Ntsele approached the United States-based City Bank, which granted him R6 million.

"My rationale then was that apartheid was gone, therefore, if I could not find finance locally, I could always source it outside – and my mind was open to the global space," he relates. "The old regime legitimised the notion that black people cannot do business; executives of major banks do not see blacks as folks who can handle big numbers. But when you go outside the country, they see the potential you possess.

"The company also got funding in South Africa, but at some point we got stuck and then tried to get more funding from former Barclays Bank managing director, Chris Ball.

"Interestingly, the people who lent me money, such as the Industrial Development Corporation (IDC) and the Land Bank, always got huge returns on investments that exceeded their expectations," asserts Ntsele.

Pamodzi Investment Holdings did three projects with the IDC, including the Foodcorp and Digicor acquisitions – both of which have since been sold.

"The worrying factor is that entrepreneurs often struggle to get funding from local development finance institutions (DFIs)," he indicates.

International acclaim

A former traffic officer, Ntsele was chosen as South Africa's representative at the 2008 Ernst & Young World Entrepreneur Awards in Monte Carlo. This did not come as a surprise: it was a result of hard work and dedication.

"When you work hard and get recognition, it is a good feeling – especially when you are not judged as a black person, but an entrepreneur," he says.

Ntsele competed against the likes of Alan Knott-Craig, former CEO of Vodacom; and both represented South Africa and the entire African continent.

In 2009, Ntsele was invited to adjudicate the Ernst & Young World Entrepreneur Awards, making him one of only two black Africans to take part in the internationally acclaimed

event; the other is Zithulele “KK” Combi of Master Currency.

He emphasises that competition is the most significant aspect of business. “It is very important to create wealth for yourself – only then can you do the same for others. Entrepreneurship is all about wealth creation, though we shy away from talking about this fact and refer to it as poverty alleviation.”

On BEE

Ntsele, the kind of entrepreneur which South Africa should be producing more of, began his entrepreneurial journey at the age of six as an apple seller before hawking newspapers on the streets of Hillbrow, Johannesburg to supplement his parents’ income and help fund his own education.

He thinks black economic empowerment (BEE) was a noble idea initially because it was a mechanism whereby white wealth could be redistributed. To their credit, white people patriotically obliged, but to the benefit of only a few black people.

“In real life, a person in a comfortable position will never give their wealth away on a silver platter,” Ntsele says, likening it to a chicken rearing a golden egg. Shareholding is where the game is lost and won; ownership

yield dividends to enable you to repay the loan, which is pure thumb-sucking,” he observes.

Ntsele articulates that economic empowerment initiatives should be structured in such a way that black people find themselves taking part in turning the sod, so that they know their destiny and do not rely on decisions made by white executives running major corporations.

“Companies have to create space for black people in top and middle levels,” he says.

Pamodzi Investment Holdings is 95% black-owned and is currently going through a transition whereby, in a few months, it will be 100% black-owned; for Ntsele, that is the right thing to do until the economy is fully transformed.

Part of the Black Business Council (BBC) steering committee, he says that business unity among black businesses is of vital importance. “We need Busa [Business Unity South Africa] and Business Leadership SA but, at the same time, we do need the old BBC, since many people are still affiliated to it, like Nafcoc [National African Federated Chamber of Commerce].

“We are currently negotiating with Busa and going back to the drawing board to devise solutions for black business. As much as we can try to avoid it, we are the ones to

“We know it is standard procedure that when top executives are involved in corrupt practices, they are fired or suspended, then given a golden handshake and, thereafter, the matter goes away.”

Ntsele believes exposing corruption in the private sector serves as a lesson to aspirant entrepreneurs, as it is a reminder that the road to entrepreneurship is not navigated through corrupt means.

The Pamodzi Gold saga

In 2009, an article in *Mining Weekly* referred to Ntsele as having thrown in the towel during the liquidation process involving Pamodzi Gold – something he vehemently disputes.

He says everyone in business knows there are good and bad apples, and cites corporations such as Standard Bank, Microsoft, BlackBerry and General Motors.

“The media took the Pamodzi Gold saga out of context, and sealed its fate before the final whistle was blown. They made it look as if this operation was our company’s biggest asset,” Ntsele protests.

Pamodzi Gold was formed as a structured deal between Harmony Gold and a Canadian consortium, therefore was never financed from the holding company’s pockets, as all Pamodzi Holdings investments are ring-fenced.

“Lessons were learnt and it was tough, but I retained my sanity and the company did not fire anyone until the liquidation was finalised. I never threw in the towel, but fought to the bitter end,” assures Ntsele.

He says that as a leader, one should never run away when matters get nasty, but stay focused and undeterred. “A good leader must stand up and dust himself off whenever he falls.

“The biggest drawback for human beings is a lack of confidence; good leadership entails rising above people whose minds are full of mediocrity.

“Never lose confidence, even when the chips are down – the future is for the brave” concludes Ntsele. **BBO**

Bongani Evans Mtlhavani

“The old regime legitimised the notion that black people cannot do business”

and more ownership is very important in business, he stresses.

“The big problem is that BEE was not creating entrepreneurs; as such, its structure needed to be refined.

“There are instances where you buy a company, yet hold no sway in the way the business is run. You are just the black face the company needs. You cross your fingers in the hope that the ship does not go downhill – that way, the money you borrowed to buy those shares will

provide remedies to the current stand-off,” Ntsele counsels.

He is pleased that corruption was seriously being addressed through institutions such as the Hawks and other crime-fighting agencies. He advises that the country should continue this crusade, and emphasises the importance of having graft busters that do not focus solely on corruption in the public sector, but equally in the private sector; hence the media has a role to play in exposing such malpractices.

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Fostering human achievement

Aurecon's brand proposition, "Fostering Human Achievement", expresses the group's philosophy that its technical and managerial resources should be used to develop not only innovative engineering solutions, but also sustainable solutions to socio-economic issues in the communities in which it operates. This is further supported by the group's values, which state that Aurecon strives to respect others by celebrating diversity. "This fundamental aim is especially relevant to South Africa's young democracy as it struggles to resolve historical inequalities," comments Ronnie Khoza, Aurecon's newly appointed Head of Offices, South Africa.

Khoza adds that the group's commitment to Broad-Based Black Economic Empowerment (BBBEE), a South African Government initiative driven by the Department of Trade and Industry (DTI), demonstrates the group's commitment to transformation. "Aurecon South Africa was recently verified as a Level 2 Contributor to BBBEE," he says. "This represents an improvement of 2 levels from last year's rating, demonstrating Aurecon's commitment to facilitating the involvement and participation of all historically disadvantaged individuals, broadening the country's economic base and stimulating economic growth and employment."

Aurecon's BBBEE initiatives are aligned with the DTI's Codes of Good Practice and are geared towards the Construction Sector Transformation Charter. These initiatives focus on the ongoing transformation of equity ownership, management control and employment equity within Aurecon.

A further focus is human resource development, with the emphasis on bursaries, learnerships, technical training and mentorship. In addition, Aurecon is accelerating the development of local companies through targeted preferential procurement and enterprise development, and is investing in communities through Pro Aurecon, its corporate citizenship programme.

Aurecon's efforts have been recognised through multiple awards and listings. Aurecon has, for example, been adjudicated as one of South Africa's top empowered companies by the publication Impumelelo, and has been afforded the honour of being a finalist in the 2011 Metropolitan Oliver Empowerment Awards for outstanding achievement as a top empowered company.

For more information contact us at tel: +27 12 427 2000 or email: aurecon@aurecongroup.com



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Vibrant leaders in transformation



Aurecon is a leading, vibrant, global group committed to the transformation and consistent development of the South African economy.

Aurecon is certified as a Level 2 BBBEE contributor in terms of the Department of Trade and Industry's BBBEE codes of Good Practice. Ranked Number 1 in South Africa's Engineering Groups' Sector, Aurecon is ideally positioned to play a leading role with regard to empowerment and social upliftment in the consulting engineering industry.

Aurecon provides a broad range of multidisciplinary professional technical services across diverse markets. The group has successfully delivered world class technical expertise and innovative solutions on projects in over 70 countries across Africa, Asia Pacific and the Middle East.

Markets:

Construction
Data & Telecommunications
Defence
Energy
Government
International Development Assistance
Manufacturing
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Digital marketing for SMEs

The future is bright,
the future is digital

Marketing as a key ingredient in successful commerce is well established, as is the fact that it costs money. That fact is never more keenly felt than in small and medium sized enterprises (SMEs) where resources, particularly those dedicated to marketing, are often tight. The question of whether to include digital marketing platforms is frequently consigned to the 'not now' pile or the 'don't know how' pile or even the 'poorer cousin of marketing' pile.

Progression to knowledge-based marketing has evolved together with the mediums and mechanisms used by consumers and business to communicate.

SME owners often shy away from engaging in digital marketing because they are not sure it will work for them and they do not relate to it on the same comfort level that they do to mediums such as magazine, print advertising or television.

The tough news is that SMEs engage, and engage quickly, or lose market share and relevance because the way consumers live and communicate has changed and there really is no going back.

The good news is that the SMEs are able to exploit digital marketing as effectively as those companies with seemingly limitless marketing budgets. It is all about finding the relevance and arming yourself with the right digital technique that is going to drive the greatest return on investment (ROI) – be it awareness, customer care, services, purchase consideration or even purchase.

Below is a quick guide to the 'what' and the 'how':

How can SMEs use social media to create brand and product awareness effectively?

As with any marketing platform, consider what your business objectives are, as well as the consumer journey (play where they are playing).

Increasingly, consumers no longer trust advertising, but do trust their network of real-world and digital friends. As an SME, you may be better able to integrate into that

sense of 'community' via social media than a corporation is able to do. It is all about being authentic and real. A bakery in London notifies its customers via SMS and *Twitter* when its bread is fresh out of the oven.

But just because social media is instant and potentially easy to use does not make it a no-brainer. Do your homework and plan a digital marketing strategy as you would any traditional marketing strategy. Know your touchpoints and target group, set desired outcomes, and gather market intelligence or research by engaging with your customers to find out which digital mediums they most frequent or prefer i.e. *Facebook*, *Twitter* or SMS.

The simple steps are as follows:

- Listen to what is being said in the digital space, by whom and where (e.g. competitors, consumers);
- Monitor these conversations, dialogues, likes and comments;
- Devise an engagement plan (including a rolling content plan) and do not underestimate the resources and expertise required;
- Set up a governance policy behind the engagement plan (rules of engagement);
- Engage with honesty and transparency; and
- Monitor and evaluate on an ongoing basis.

What are the cost implications?

Can I afford it?

The truly exceptional characteristic of online marketing is that it is measurable. Consider it a sales cost. What do you pay per sale in the traditional marketing world?

Remember that while access to social media is essentially free, you must cost or budget for the resource time it takes for you or a member of your staff to update, monitor and engage your customer network online.

Cost implications are elastic and scalable. You may choose to engage in an SMS campaign that targets only your top 50 clients, or one that targets the top 500. Know your budget and, within your planned strategy, define the tactics most appropriate to achieve your desired outcome.

A simple but cost-effective digital technique for attracting more customers is the Google advertising network, AdWords. You can connect with potential customers at the magic moments

when they are searching for your product or service. You can display your adverts and only pay when people click on them. Essentially, this means you are paying only for qualified leads.

How to plan an online strategy for SMEs

Consider what your business objectives are, as well as your other marketing initiatives; ensure they integrate with a consistent brand message or call to action.

Investigate the digital landscape as it pertains to your target market. Are they news junkies, focused on fashion, sports-mad, or all of the above? Where do they go online to have their voice heard and talk to their peer group or community? Know that, and you will have a clearer idea of where to begin your digital brand conversations.

Once you have the platform, plan the content and ensure it answers a specific need in a way that is credible, believable and appropriate. Know what you want to achieve and map out the most relevant digital technique.

What are some of the questions to consider before launching a Web or online campaign?

Ask yourself the same questions you do whenever considering budget spend: Does this offer value to my customers and to my business? Is this where my customers play?

If your target market is in a lower living standards measure, do not assume an immersive and engaging website will do the trick. Consider the difference in Internet penetration of personal computer vs mobile in South Africa for this target group (twice as many people access the Internet via their mobile devices than the PC). If their budget is tight and they are cost-conscious of Internet charges, a great functioning mobi site, "Please Call Me", SMS or mobile advertising campaigns are likely to be the best options.

What is true and what is not about the state of connectivity in South Africa?

Driven predominantly by the proliferation of mobile devices able to connect to the Internet and lowered data costs, connectivity levels are surging ahead at an astonishing rate.

Approximately six million South Africans access the Web from their desktop and 13 million via their mobile phone – with a three-million crossover. It is estimated that this will climb steadily for accessing via PC to at least eight million people; and at least by 15 to 18 million via mobile phones by 2015.

The biggest factor driving penetration will be the cost of mobile devices coming down, combined with data charges. So, it is a safe bet that your business can find a viable market and customer base within that number.

Which is better in South Africa today: digital, or traditional advertising?

The question really ought to be: what is the best way of engaging my customers so that they will buy my products or services?

Brand advertising will continue to be effective using traditional media, as it enables you to transmit a static message to a large number of people (arguably greater reach). It is a different story when it comes to running sales campaigns, as these now need to be cognisant of the conversation space offered by social media and digital platforms.

The ROI afforded by permission and conversation marketing far outstrips the measurability traditional platforms can offer. In simple terms, the technology exists to engage customers and potential customers at the right time and in the right place, albeit virtually, so it would be foolish not to use it. In sales speak, it is the difference between the staff member who can source leads (the opener) and the staffer who can ensure the deal happens (the closer).

In summary, digital marketing offers businesses the perfect end-to-end solution from awareness building, aiding consideration through to purchase – all online, seamlessly.

Change is a constant in any business, and change in consumer behaviour – driven by technology, economics or circumstance – is change ignored at your peril. Ensure digital communication with your customer and potential customer base lies at the heart of your brand strategy, and take advantage of the opportunities. **BBO**

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Wishing you the very best.



Happy New Year.

Not for Sale to Persons Under the Age of 18.

SA's best employers

Highlighting trends in the quest to attract the best talent in the job market

Now more than ever, the need for employers to attract the best talent and present their companies as an ideal career development environment has become a critical part of any business development strategy.

The work environment has changed. Previously, the employer dictated the terms and conditions of employment to the employee. Today's skilled workforce dictates the terms and conditions of employment to the employer, and competition for skilled employees has and will continue to increase.

As the market becomes more competitive, it has become more important for companies to stand out as an attractive company for top talent to work and continue working.

Samantha Crous, country manager for the Corporate Research Foundation (CRF) Institute of South Africa, explains: "Companies are competing for the same skilled pool of employees, and so they have to ensure they present a good case to prospective staff so that they can beat their competitors in the race for scarce talent."

The biggest challenge facing business in the 21st century is the constant need for change, largely driven by technological innovation and the growing number of learned, ambitious, free-spirited and driven individuals.

There is a trend shift: where previously potential employees would be competing to market themselves to companies, today companies compete to attract talent – and to be the best and preferred employer.

The latest annual Best Employers Certification Index for 2011/2012 shows that more companies are beginning to

realise the value of paying attention to the needs of employees, and are beginning to put concerted efforts into ensuring their company vision is aligned with the needs and goals of prospective employees.

This research measures companies on their organisational strategy, human resources function, communication, diversity management, corporate social responsibility, knowledge management, talent management and engagement, performance management, as well as a rewards and recognition structure.

The research focuses on six dimensions. The first of these is primary benefits, which include monetary benefits such as basic salary, share options and pension fund; secondary benefits and working conditions, where focus is placed on non-monetary benefits such as leave allowance, flexible working conditions, the availability of and accessibility to wellness programmes, communication, innovation and recognition; the third dimension focuses on training and development initiatives in place within the organisation to help employees grow in their role; career development, company culture and diversity management are the other three dimensions, which played a critical role in the research, construction and in determining the best employer.

Cream of the crop

In 2011, Microsoft SA was rated the Best Employer in South Africa for 2011/2012 by the CRF Institute in its Best Employers Certification Index. Following Microsoft SA, the other top 10 were: Accenture SA, SAP South Africa, Unilever SA, Ernst & Young, Vodacom Group Limited, Netcare Limited, Peninsula Beverage

Company, Edward Nathan Sonnenbergs Inc., and Procter & Gamble SA.

One of the most improved companies in the 2011 Best Employers Certification Index was Unilever South Africa, which was ranked fifth in the Large-sized Employer category in the 2010 Best Employer Index. It moved up to first position in this category; and was ranked first in the Fast-Moving Consumer Goods Employer category. Unilever ranked fourth in the Overall Best Employer category – an improvement from last year's position 11 in the same category.

According to Antoinette Irvine, HR vice president of Unilever South Africa: "People are at the heart of our business, and we are a people-based company. This is our company value that we live by every day, in good and bad times.

"We believe our people are the reason for our success, and our HR policies – which we developed with the input of our employees – speak to this. We are passionate about our brand and share the same vision with our employees, and work together to make a difference in business and the community.

"We have worked very hard to get here, and we will continue to do our best again next year to improve our scores; excellence is what we should be and must become," she adds.

Policies form the framework in which companies manage people, and that is what this survey looks at in assessing best employers, as the implementation of such policies provides a framework that can enable people to become the best they can be in the organisation – and such policies dictate the output, explains Crous.

Companies that develop the right policies and policy frameworks from HR, legal and



Samantha Crous
Country manager
CRF Institute of SA

compliance view points – and effectively implement such policies – are those that make it as best employers.

Inclusion of broad-based black economic empowerment (BBBEE) succession plans play a fundamental role in determining that companies attract and retain the right talent.

Although BBBEE is part of a legislative requirement, it is interesting to note that the best empowered companies and best employers do not simply focus on BBBEE based on meeting scorecard ratings, but place value on succession planning for black talent.

Everyone looks at the scorecard, and no one delves into what happens when companies attract black talent, issues around the progression of black candidates into senior positions, career growth path of black candidates, support structures for career progression, and mentorship programmes to move black talent into senior management and board-level positions.

The Best Employer Index reveals that key issues contributing to the retention of black talent are the inclusion of the following elements in company policies: growth plan opportunities, succession planning and the culture of the organisation. Companies need to start designing specific career path offerings in a more systematic kind of way.

Crous says: “The trick is to get the basics right, by looking at basic structure of employment offering – what your company offers the employees.”

A number of companies still have not caught on to the current trend of employee segmentation, where employers tailor packages for individuals. Best employers are making the best of such trends, and tailor-packaging employment perks for specific individual needs to attract and retain talent.

One size does not fit all

The practice of product marketing is segmented for the different target market groups. It is the same with employees: companies cannot take one package and hope it fits all. Information technology staff have different needs to marketing or accounting staff; and the same applies to women with

children and women without children, single parents, single men and women – all these target market groups have different needs and require different employment packages. For this reason, it is important for companies in South Africa to start looking to employee segmentation to ensure their companies offer employees value.

The world is changing, and the way in which people work has evolved. Today’s workforce requires more flexibility, clear career growth plans, and the knowledge that they are contributing toward making a difference.

Flexibility is about trust. Globally, the trend points toward flexible work hours, as many employees across the world demand flexibility, mobile work stations and the ability to do work from anywhere they may be. Many companies in South Africa have not embraced the idea of flexible working options.

Crous says: “Trusting people is a risk, and trusting that employees would still perform at full capacity even when they don’t work 8-to-5 is an even bigger risk, but one that produces results if the relationship is built on the right principles. Best Employers are those that have built this relationship to ensure flexibility works for employees and the company.”

In South Africa, most businesses do not trust employees enough to give them the flexibility they require to work independently. As a result, some companies are losing skilled staff to companies that offer these packages to employees.

Today’s employees are not motivated merely by financial gain, but the culture of a company, the structure of their work hours, etc. because they can get money anywhere on account of their skills, knowledge and expertise. For example, most companies are losing their female workforce because they refuse to give them the occasional day off that they require.

Best Employers are those companies creating real partnerships with their employees. These are the companies that take a more mature approach to management style and which take risks because, to be a best employer, there are risks to be taken – unfortunately, there are

still many companies that are not prepared to do this.

Company culture


Culture is everything. Naturally, people align themselves in a similar sociological kind of way, and companies need to tap into this type of culture while driving their leadership vision. Most companies fail in this battle because they try to impose on to its people the culture that the company wants, rather than embracing the culture that employees build within that organisation – therefore aligning company culture to that of its employees.

Companies need to engage people on various levels, measure employee happiness, and assess whether employees are experiencing the company and its culture in the way it had intended them to experience.

The mining, energy and banking sectors are still among the major sectors that have not caught on to trends of retaining staff and addressing the needs of today’s workforce. Because these sectors still remain the country’s big economic drivers, their approach to management remains old-school, where the manager is the boss and the employee is the servant. With the working world changing, however, eventually they, too, will have to adapt, as their employees will not tolerate their system of management.

There is a need for more companies in South Africa to start adopting and embracing global trends that have worked for multinationals abroad, in creating a happier and more productive workforce.

If companies are going to compete globally, then universal best practices need to be implemented in order to ensure businesses in South Africa remain competitive – particularly now when employers are not merely competing against local employers.

A general change in the relationship between employer and employee is essential, and the partnership model will, in the future, be critical in determining productivity levels of employees and the performance of companies. 

Ntokozo Ndlovu

Developing extraordinary leaders



Landelahni helps executives grow to their full potential

Establishing Landelahni Leadership Development as a new business within the Landelahni Recruitment Group was motivated by the directors' vision of fast-tracking the development of exceptional business and public sector leaders in South Africa.

The coaching industry in this country is in its infancy, with very few firms providing overarching project management services and strategic alignment capabilities. It is here that Landelahni Leadership Development has found its niche.

"We take a systemic approach, working with the organisation as a whole," says managing director, Delani Mthembu. "This means we coach the entire leadership team, instead of one or two executives in isolation. This allows us to provide feedback on key leadership themes and trends emerging from the coaching, and achieve alignment with strategic organisational goals."

Landelahni Leadership Development's philosophy of coaching is founded on the principles of sustainability, inner values, trust, quality, learning, interdependence, service and transformation.

"Emotional and spiritual intelligence are the underlying principles that allow all the other elements to blossom so as to unlock the potential of the individual – and the organisation," says Mthembu.

He believes that the fast pace of globalisation is placing extraordinary demands on business leaders as they battle to find skilled resources in

a time of rapid technological and social change. "New leadership skills are required to deal with the complexity posed by an increasingly interconnected world," he says.

"Innovation and the mastery of change and complexity when working across multiple geographies are becoming critical. Leaders are called upon to manage people with diverse cultural backgrounds and different communication styles. Cultural intelligence must become part of the equation so as to tap the potential that resides in diversity.

"Faced with the challenges of building a diverse and representative workforce and developing future leadership for business continuity and sustainability, executive coaching should be a critical component of every organisation's agenda," Mthembu adds.

"As more young people and first-timers enter the workforce and take up leadership positions, we should be using every development tool at our disposal.

"Our aim is to enable leaders to sustain an enabling work environment for excellence, productivity and passion; and build a framework for facilitating conversation, decisive decision-making, accountability and self-reliance," he explains.

"Leadership effectiveness can be measured in terms of organisational culture; the attitude of employees; the nature of services provided in terms of quality, relevance and flexibility; staff turnover; internal energy level; the culture of collaboration and teamwork; level of innovation and creativity; and self-discipline."



Delani Mthembu, MD of Landelahni Leadership Development, and Sandra Burmeister, CEO of the Landelahni Recruitment Group. The innovative approach that set Landelahni on the path to winning the Black Business Quarterly New and Innovative Business Award is based on a holistic approach that enables organisations to develop high-impact leaders.

The company differentiates itself through a number of value-added processes such as high-quality leadership assessments, in-depth client reporting, and ongoing research into core leadership attributes and abilities so as to align its services with international best practice.

All its interventions are customised through an understanding of the client's needs and the analysis of industry, sector and global trends; while providing continuous measurement of results to ensure a solid return on investment.

Perseverance pays off

Malutsa offers quality waste water treatment solutions to clients and industry

Malutsa is a company name synonymous with 21st century water treatment technology and upholding world-class standards. What else would you expect from the firm involved with the construction of more than half of the water desalination and wastewater treatment plants in South Africa?

This Paarl-based company specialises in the design, construction, maintenance and service of water and wastewater treatment plants, as well as the supply of water and wastewater treatment chemicals and consumables.

Target markets include all major industrial and municipal sectors where desalination, water treatment, effluent treatment and specialised separation of process streams are required.

In March 2011, Armscor awarded this black economic empowerment company a five-year, multimillion-rand contract for a number of water purification plants to replace legacy systems for rapid deployment forces of the South African National Defence Force. Malutsa beat several other candidates, including some notable global players, in the race to be awarded the tender that relates to Project Blesbok.

This watershed contract is the pinnacle achievement of Malutsa, after a tumultuous period in which it often had to negotiate setbacks and challenges.

The company had to overcome discrimination at local level, as well as the global economic implosion to entrench itself as one of South Africa's finest water and wastewater treatment companies.

Malutsa is often awarded contracts to supply reverse osmosis water treatment plants to rural municipalities situated in water-stressed localities. These contracts often involve treatment processes that include flocculation, sedimentation, iron removal, micro- and ultra-filtration, reverse osmosis, pH correction and lime stabilisation among others.

"A large part of our scope of works entails contracts that enhance wastewater discharge quality, making it suitably compliant for discharge into ecologically sensitive areas in the Peninsula," says Nathan Herbert, operations director of Malutsa.

Malutsa is also the southern African representative of the Canadian-based Trojan Technologies, the largest supplier of ultraviolet disinfection systems for municipal wastewater, drinking water, commercial and residential drinking water and industrial applications in the world, said Bernard Cannon, managing director and founder of Malutsa.

To date, Malutsa has installed the largest ultraviolet plants in Africa on behalf of Trojan. Malutsa has also established a Trojan-footprint in Daspoort in Pretoria and in municipalities in Cape Town and Bellville.

"We construct fully functional water treatment plants using cutting-edge technologies sourced locally and worldwide in order to meet very discerning client needs.

"The Malutsa drive aims to satisfy the water treatment needs of primary, secondary and tertiary industries with hi-tech treatment plants, allowing South Africa to meet its commitments in an ever-increasing environmentally aware scenario" says Herbert.

The company employs personnel with extensive experience in water and wastewater

treatment and has supply agreements with, and access to technology of, reputable and leading international companies in the chemical manufacturing, membrane and ultraviolet technology fields.

In addition, Malutsa has the backing and support, in terms of technology and chemical process engineering, of some of the most experienced professional engineers in water and wastewater treatment.

In 2005, the company was active in the Indian ocean tsunami relief effort, having been approached by the South African government, Department of Water Affairs and Forestry, UNICEF, Red Cross and the Maldives government's Department of Water.

When local communities in dire need of water helped send an SOS signal to Malutsa, the company responded in admirable fashion.

In collaboration with the University of the North West, the Water Research Commission and the Meridian Trust, Malutsa designed and constructed a desalination plant for Madibogo village, producing potable water from polluted groundwater.

This was in response to the RDP objectives of providing acceptable water to the rural community from water containing toxic nitrogenous pollutants.

Cannon and his co-director, Herbert, recently built new headquarters for the company, called Malutsa House. It is based in Wellington's Industrial Park.

It is a 3 000 square metres facility, replacing the previous headquarters at 5 De Vreugde Crescent in Dal Josafat, Paarl. This was necessitated by consistent growth and the desire to logistically consolidate all its operations at one locality.

Constructing the new home for their workforce of approximately 80 people (forty of them are full-time employees and the rest are cyclical contract artisans) heralded the dawn of a new era, almost a quarter of a century after a humble and inconspicuous start to their professional journeys.

During those 25 years they had to endure subtle and overt discrimination, setbacks, prejudices, hostilities and attempts to undermine their efforts to become independent company owners.

Herbert and Cannon, both highly qualified in the mechanical and chemical disciplines respectively, started their professional careers with the Bakke group of companies in the 1980s.

In a robust environment, their premier task was the development, industrialisation, construction and implementation of tubular reverse osmosis membrane technology and systems so as to make it accessible to and usable by the South African industry. Both of them were pioneers.

South Africa, during the mid-summer of apartheid, was ostracised by other technologically advanced countries; they were not granted access to the burgeoning reverse osmosis technologies that were being developed by international scientists.

Together with dedicated technology partners such as The Institute of Polymer Science of Stellenbosch University, The Water Research Commission, the Council of Scientific and Industrial Research, Chamber of Mines and Eskom they succeeded in making the South African technology useful for industrial applications, spawning a new era in water treatment in South Africa.

The late '80s saw a change of company ownership with the possibility of accessing shareholding.

Yet, an inability to raise the required capital due to an overly hostile banking environment where background and race were prime decision drivers, left Cannon and Herbert disappointed but not disillusioned. The resultant company, Membratek, was formed, independent of any ownership by Cannon and Herbert.

During the early '90s, a De Beers subsidiary, Debex, formed a consortium with Membratek,

resulting in the formation of Debex Desalination. It led to the subsequent foray into the southern African diamond arena with the novel water desalination technology.

The advent of black economic empowerment (BEE) in the mid-90s saw the formation of Malutsa (Pty) Ltd.

With the late-90s take-over of the Membratek operations by the Scottish Weir Group PLC and the subsequent formation of Weir Envig, a parallel-running Malutsa made slow, but calculated advances under difficult conditions.

A defining moment in the life of Malutsa was in 2005 when Veolia Water, the largest water treatment company in the world, purchased the Weir Envig entity, thereby acquiring a 30% shareholding in Malutsa.

This transition created the platform for Cannon and Herbert to consolidate the Malutsa business entity and commence functioning as a truly independent company, albeit with a debilitating financial albatross of a few million rands.

The core values that have underpinned Malutsa's growth are excellence and integrity in its business operations. This ethic, combined with an uncompromising passion and patriotism to serve South African business and communities, remain the heartbeat of Malutsa," says Cannon.

"BEE, and broad-based black economic empowerment (BBBEE) companies are sometimes frowned upon in the South African context, and the quality of their work deemed suspect," says Cannon.

Malutsa has proven to detractors of the BBBEE model that, by uncompromising delivery of the best possible service, and by leaving no stone unturned in the quest for zero defect, world-class service and outputs are possible even under unfavourable conditions.

"Money has never been a driver to us. We have survived instances where the bureaucracy of municipalities has resulted in accounts not being settled for extended periods, as well as Malutsa accommodating cash-strapped clients purely as a humanitarian gesture," said Cannon.

"We are passionate about what we do. We also celebrate the fact that the Lord has given



Bernard Cannon, Managing director



Nathan Herbert, Operations director

us capabilities and contracts, something one should not lose sight of."

The company has also committed itself to holistically educating their workers and motivating them to take ownership of their own lives. They have introduced a new work ethic. Instead of their workers having a sense of entitlement, of expecting hand-outs, they are intent on inculcating an ethic of working hard over an extended period of time, building up self esteem and enjoying the rewards of diligent labour.

"Our drive is to break the destructive patterns of behaviour so evident in our working class communities and attempt to mould them, call it a cultural change if you want, in ways that help them realise their full potential," says Cannon.

The company has committed itself to exponentially growing its target market in the South African water and wastewater treatment industry.

Black industrialists arise

In the wake of President Jacob Zuma's call for black industrialists to emerge, *BBQ* goes in search of answers

The South African government needs to take the initiative by integrating the development of black industrialists with the country's overall industrial strategy, said Jerry Vilakazi, chairperson of the board of directors at Netcare.

He was questioned on what the country could do to vigorously develop an active black industrial sector.

A passionate plea in this regard was made by President Jacob Zuma in September, while delivering the keynote address at the Black Business Summit in Sunninghill, Johannesburg. He urged black businesspeople to move away from only owning shares or fronting to becoming authentic industrialists who own factories and mines.

The president said: "With regard to the ownership of the economy: While we are happy to see many black people entering various sectors of the economy, there are

no visible black industrialists. We do not see large factories or mines that are owned by black people or women.

"As we build the economy by expanding manufacturing, mining, agriculture and the green economy, we also need to develop the black industrial sector."

The economy, he added, must produce authentic black entrepreneurs whose factories manufacture textiles, furniture, metal products or whatever the market requires.

Less talk, more action

Vilakazi said the integration of the development of black industrialists in the industrial strategy is pivotal if South Africa is to advance the black industrial sector.

He said there is a tendency to confine the development of black business to debates and policies on black economic empowerment (BEE), and to exclude it in other key government policies.

In the last four to five years, there have been massive investments and growth in infrastructure

and construction projects, fuelled by the awarding of the 2010 Fifa Soccer World Cup.

"Can we pinpoint any black construction companies that were created as a result of this boom?" Vilikazi put forward. "We need decisive and strong leadership from government if we are going to create sustainable black industrialists."

South Africa boasts some great industrial companies that are competing with distinction against their global peers. Some are active both in sub-Saharan Africa and in other countries.

These, however, are mainly white-owned companies. Sadly, one is beginning to see a trend of South African companies being sold offshore.

The problem with this trend is that it removes a flow of investment into the creation of new industries that would result in the creation of new jobs in this country.

Instead, there is shareholder rotation and exchange of capital, which is not always

invested back into the business for expansion, said Vilakazi.

The industrial strategy should certainly map out how South Africa intends to promote new industrialists, particularly black industrialists.

The decision by the Black Business Summit to call for the creation of a black-owned financial institution, is an indication that, if the country is to advance President Zuma's call for the development of black industrialists, funding institutions need to be set up with this specific purpose in mind.

Pitfalls

Leslie Sedibe, chief executive officer of Proudly South African, says a lack of incentives for big business to actively implement enterprise development initiatives – which are now being revised to give more weight to enterprise development and local procurement on the Codes – remains a stumbling block toward the attainment of a sober economic and productive model.

Steps are needed to improve access to finance and access to information, while improving the support from the government and big businesses to entrepreneurs.

"We need to do away with red tape when applying for registration of companies and funding through government grants. In other countries, including countries on the African continent such as Rwanda, the process to register a company can be completed in less than three days," said Sedibe. "Many opportunities have been lost due to the unnecessary delays in the system."

He added that an absence of mentorship and skills training within the different sectors has been a pitfall in the development of the black industrial sector.

It is a point fully supported by Zoli Kunene, chairperson of Grintek Ewaton. A lack of mentorship, funding and skills undermines growth in the black industrial sector, he maintained.

"You need a private equity fund that will support the young generation coming into business. You also need to mentor these young entrepreneurs, sit on the board with them and support them every step of the way," he added.

Kunene expressed concern about the lack of skills: "When you see a road full of potholes and ask yourself why it has not been fixed, you realise it is not because of a lack of funds, nor material nor labour. It is critical to develop skills and address the gap between skilled and unskilled labour."

Banking on change

Vilakazi said South African banks and financial institutions have not been geared toward promoting entrepreneurship, nor the development of new enterprises and industrialists. They have their comfort zone in financing the purchase of "shares".

"Who on earth, with access to capital, would choose to buy 26% in someone's company instead of starting their own business?" he pondered. "The current financing models and philosophy are not supportive of new enterprises. We should look at what made Germany the industrial manufacturing hub of Europe."

Renewable energy

Vilakazi said the government should be bold in using its procurement budget to buy from companies that are more than 51% black-owned. "We should not shy away from using the granting of new licences in targeted industries to majority black-owned and -managed companies.

"It is sad that even after the conversion to new order mining rights, blacks are still battling with under 10% ownership in mining," he lamented.

The Black Business Council should engage with the government to ensure that, in areas such as renewable energy, one can see the emergence of black-owned and -managed companies as independent power producers.

For this to happen, alignment of financial institutions with this objective is required.

Learn from the Afrikaners

"Why are we not learning from the Afrikaner experience of the period between 1948 and 1994?" asked Vilakazi. "How did they create such a massive Afrikaner industrialist base? They were decisive and unapologetic," he noted.

Said Mike Teke, CEO of Optimum Coal Holdings: "We need a culture change with regard to hard work. We must embrace the culture of hard work. A great work ethic is number one."

He recalled how his grandmother forced him to go to school, even when he was feeling a bit off-colour. "You can go to sleep when you come back from school," she said.

"If you work hard and are compensated, you derive a lot of pleasure from it," said Teke. "We are a great country, but we need to put our shoulders to the wheel."

A culture change is required also in terms of delayed instant gratification. Raymond Ackermann and Dr Anton Rupert did not become wealthy within a day. It took time, and they were prepared to build an empire over a very long period, said Teke.

He added that the government must "fix and jack up" the education system. "We must create a nation of job creators. We tend to be a nation of job seekers. I want more opportunities for job creators."

The country needs a partnership between the government as regulator and legislator, and private business as the enabler, to propel those job creators to new heights.

Local not attractive enough

Vilakazi said South Africa is importing too many products that could be manufactured locally to stimulate industrial development and growth.

The country is well positioned in the continent, with its industrial base to be a major supplier of many goods and services. Both the private sector and government should show more commitment to buying local goods.

"We often speak of the high costs of labour that make us uncompetitive, and forget what drives the costs of labour in South Africa," said Vilakazi.

"Government needs to move faster in improving public transport and reversing the legacy of apartheid spatial planning, resulting in workers living far from their places of work.

"We need to create more opportunities for skills development. We have too many young people unemployed who could contribute to

the growth of our economy if given a chance," he added.

Black entrepreneurialism could spark a revolution

Claude Baissac, executive director of Eunomix, said black entrepreneurialism is alive and kicking in a country that is distinguished by a strong entrepreneurial culture.

For the most part, it is undocumented. And yet, it could be part of an economic revolution if the government provided the resources and business environment required.

It is hugely encouraging to see that South Africa ranks higher than the United States, the United Kingdom and Germany in the Global Entrepreneurship Monitor's latest survey.

One possible cause is an unintended consequence of BEE: the necessity for those who have been displaced or have lost opportunities because of BEE to become entrepreneurs.

A second possible cause is the product of necessity: the fact that, for a large part of the poorest portions of the population, "survival entrepreneurialism" is the only option. One sees this daily creative, risk-taking, transactional toil everywhere.

Entrepreneurialism cannot be legislated, ordered or willed. Legislation can, in fact, be counterproductive if it aims at creating a class of entrepreneurs through obligatory transfers.

Welfare benefits do not create entrepreneurs, neither does BEE, claimed Baissac.

Plea for a new model

Broadly speaking, the government needs to take a strategic view of entrepreneurship and turn the current model upside down.

Much can be done, particularly when one realises that South Africa is losing ground in the Doing Business Index, which ranks countries according to the quality of their business climate from a regulatory standpoint.

It is 34th worldwide in 2011, down from 32nd in 2010. It is very concerning that it lost nine places in the "starting a business" category, and four in "registering property".

Very specific – and frankly, easy – measures would have a very rapid impact on entrepreneurship.

The great news, however, is that South Africa far outranks Brazil (127th), Russia (123rd), India (134th) and China (79th). But given the relatively small size of our economy, being at the top is essential.

Specific micro-economic measures are required to support black entrepreneurship. Looking at it from a grassroots, bottom-up standpoint, the government should support greater access to micro-financing for micro enterprises, even informal ones.

It should create a corporate tax structure that encourages these enterprises to formalise.

Additionally, vast financing reserves exist in reconstruction and development programme houses, and the government should transfer their ownership to their occupants, who could then use them as collateral for raising capital – with the adequate protection against abuse practices from all parties, Baissac maintained.

Changes to the country's restrictive labour regulation would help enormously, particularly for small, medium and micro enterprises – historically the most important source of employment creation.

India's new strategy for labour force training, done in co-operation between government and business, should be looked at.

Meaningful tax breaks should be provided to businesses that train large numbers of employees in technical, business development and managerial skills, said Baissac.

A pragmatic approach advocated

Looking at industrialisation and black entrepreneurialism, one has to be pragmatic, Baissac warned.

The country is deindustrialising, and quite rapidly, in the face of very serious cost and capacity constraints: above-inflation wage increases, an institutionalised strike culture, double-digit increases in electricity costs, and infrastructure bottlenecks caused by a series of state monopolies.

Manufacturing only represents 15.6% of gross domestic product – down from over 22% just a few years ago.

This is an economic disaster. South Africa is losing the competitiveness battle against other emerging markets. It is a real emergency, and

the current state-centric approach is very obviously not working, said Baissac.

It is not evident that introducing further regulatory measures, which dictate ownership or create quotas for government-related business, would be effective at stopping the crisis of the industrial sector and solving ownership inequality.

More than 15 years after liberation, the country is discovering that changing the ownership structure of the economy is much harder than changing political ownership. It is a trial-and-error process, said Baissac.

Looking for a model, Malaysia provides an interesting example of how to work toward solving the twin objectives of industrialisation and racial justice.

After independence, it turned toward strongly redistributive policies between its impoverished Malay majority and its Chinese and Indian minorities who controlled the economy. This approach increased after race riots in 1969.

The objective of the government was to achieve redistribution from a ratio of 2.4% to the Malays, 33% to "other Malays" (Chinese and Indians), and 63% "foreigners" to 30:40:30 respectively.

The strategy was thus to 'expand the pie': rather than transferring assets owned by minorities and foreign interests, the government pursued national wealth redistribution through increasing the size of the economy and allocating preferences to the ethnic Malays through affirmative action programmes.

Industrial development was chosen to provide the necessary economic growth required for the strategy to work.

Over the decade, Malaysia became an economic powerhouse, another Asian "miracle economy" that absorbed significant surplus labour, generated large exports and attracted large amounts of foreign direct investment.

In this environment of shared growth, Malay entrepreneurship has thrived without crowding out minorities, and without costing precious growth and jobs. **BBO**

Fanie Heyns

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Skills for life

Educational entrepreneur is helping to plug skills deficiencies

Mahikeng, a one-horse town and capital city of the North West province of South Africa, was thrust into the limelight recently when one of its most prominent residents, Judge Mogoeng Mogoeng, was appointed chief justice after a marathon two-day interview in Cape Town. Undeniably, few South Africans hitherto knew much about this historic town, once the seat of power for the former Bophuthatswana homeland that was governed by Bantustan leader, Kgosi Lucas Manyane Mangope.

Its main claim to fame is its close proximity to Sun City, away in Rustenburg. Otherwise, it would virtually be passed up as a desolate piece of land in the middle of nowhere, similar to those ghost towns you drive past on the way to Upington; which are really nothing more than fuelling stops – more like refreshment stations than anything else.

The town is probably best known as the birthplace of the worldwide scouts movement. It is here that Colonel Baden Powell, while commanding British Forces during the famous Siege of Mafikeng, was staked out for 217 days – from October 1899 to November 1900.

In 2007, it had a population hovering around 250 000; needless to say, this figure has since increased.

Even better, Mahikeng shares a border with Botswana through the Ramatlabama immigration post. And perhaps the first time most folks encounter the town – made famous in part by the exploits of Colonel Powell – is while transiting through to Botswana or from that country into South Africa on the way to Johannesburg, some 244 kilometres away.

Mahikeng has typical small-town characteristics: high employment, rampant alcoholism, traces of neglect, decaying infrastructure and grim prospects for many young people, which prompts them to pack bags for the bright lights of Joburg. However, it is in this backwater that Innocentia Matong, an educational entrepreneur, is making her

mark – contributing toward provision of skills to the unemployed and, thereby, equipping them for the workplace.

While working as a consultant for an international audit firm, she encountered Ornica Mukhahvuli, the founder of African Global Skills Academy (AGSA) – an institution accredited by the Tourism, Hospitality and Sport Education and Training Authority (now the Culture Arts, Tourism, Hospitality and Sport Seta) and registered with the Department of Education.

Instantly, there was rapport between them as they shared mutual interest in people and organisational development. The year was 2005.

With prior training experience gained at a family business that offered tuition in business administration and computer studies, and driven by passion for the tourism industry, Matong initiated co-operation between her Unitech Training Institute and AGSA to collaborate in offering training in tourism, hospitality, conservation and sport. This was the beginning of the North West branch of AGSA in Mahikeng. She now serves as its general manager.

She has worked in the training and education sector for more than 10 years, and acquired skills and experience as a facilitator, presenter and co-ordinator of a variety of development and capacity-building programmes.

Nature of business

The AGSA is a private training and education institution operating in the further education and training (FET) sphere. It trains individuals, and government and private sector employees in tourism, hospitality, conservation and sport.

"As an FET college, one of the reasons we ventured into training and education was realisation of the skills gap we face as a country," Matong says. "We were also motivated by the large number of students who complete Matric, but do not qualify; or lack resources to go to university.

"Our college gives a second chance to students like these, and to mature candidates who do not possess formal qualifications and need to gain formal skills."

She describes her service differentiation in finer detail: "All our students enjoy the privilege of being trained theoretically in class, then taken to the workplace for practical in-house training.

"We consider ourselves fortunate to be receiving the kind of support we get from organisations such as North West Parks and Tourism Board, Mmabatho Palms, the Convention Centre and Kobo Segole Guest Lodge. They give us continuous support by offering practical exposure to our learners. They help us by ensuring our learners are ready for employment when they finish their studies."

The academy's target market is typically individuals and corporate organisations requiring first qualifications or to gain industry-specific training.

Credibility

Private educational institutions are often accused of offering fake qualifications. So how does the AGSA distinguish itself, and does the Council for Quality Assurance in General and Further Education and Training ratify these qualifications?

"Our institution is accredited by the Culture, Arts, Tourism, Hospitality and Sport Seta, registered with the Department of Education, and we are a member of the Association of Private Providers of Education, Training & Development," Matong explains.

"We always hold orientation sessions and encourage students or parents or organisations to verify our credentials, or those of any other college they may wish to enrol with, before they make final registrations."

She describes herself as a necessity entrepreneur, and is blunt about challenges she faces in her chosen field. "It can be very difficult to start up as a private training institution, on the basis that you need to be accredited before you even start. Some people end up starting before getting accreditation, which affects the credibility of private education providers.

"And it is very difficult to take it upon yourself as a legitimate provider, to warn the public against enrolling with fly-by-night operators."

The AGSA was started in 2003 with the head office located in Port Elizabeth, but has branches in Johannesburg, Polokwane and Mahikeng. It intends rolling out more branches in all nine provinces and finally expand into other African countries.

The academy trains thousands of students every year, including those on learnerships, skills courses and self-funded programmes. It offers national certificates in the fields of tourism, hospitality, conservation and sport. There are short skills courses for those who have limited budgets, or do not have time to complete national certificates.

The AGSA has scored success after success since inception, more so when students have gone on to hone their new skills in the workplace.

"It always puts wide smiles on our faces when we manage to train and help a student, for example in getting a national certificate in tourism guiding, then assist them to get accredited as a tour guide with South African Tourism," says Matong. "We have a particular case of a student who has even opened his own business (Madibane Tours), after successfully completing training and getting accreditation as a tour guide.

"We have been able to successfully implement the notion of mixing theory and practical training since 2005, and are very proud of the feedback we get from our workplace hosts who endorse the competence of our students.

"The AGSA has no immediate plans for further expansion until thorough review of the performance of all satellite centres, and then ascertain whether we are ready to set up in other areas or provinces," she adds.

Some of the courses the African Global Skills Academy offers in the its Hospitality Department include:

PROFESSIONAL COOKERY (NQF 4 Hospitality)

This qualification has been developed for professionals in the food preparation industry. It brings together elements of food and drink preparation, as well as supervision. If you are passionate about cooking, this is the right programme for you.

This certificate can be used as an entry level to diploma level and is your first step toward becoming a professional chef.

The course includes modules such as:

- Communication;
- Customer services;
- Basic administration; Food preparation;
- First aid and safety;
- Job coaching;
- Stock control;
- Carvery and buffet services; and
- Recipe and menu development.

Career opportunities

This qualification is applicable to all sectors, from small restaurants to large-scale hotels. With this national certificate, you can work in any hospitality kitchen as a junior chef.

FOOD AND BEVERAGE SERVICES (NQF 4 Hospitality)

This qualification brings together elements of food and drinks preparation and service as well as supervision, and has been developed for people in the food and beverage service industry. This is your first step toward



Fish for life: Innocentia Matong of African Global Skills Academy

becoming a food and beverage manager in a hotel or similar establishment, a restaurant manager, or the owner of your own restaurant or pub.

You will learn how to serve food and drinks to customers, as well as how to manage the environment in which these items are served.

This qualification affords you the skills for further study toward a Food and Beverage Management diploma.

The course includes modules such as:

- Communication;
- Customer services;
- Basic administration;
- Equipment handling and storage;
- Room, carvery, table and take-away service;
- Function and event supervision;
- Stock control;
- Payments point operation and money handling;
- Drinks preparation and service;
- First aid and safety; and
- Job coaching.

Career opportunities

You can find employment as a professional waitron or food and beverage supervisor in any establishment that serves food and drinks: from small coffee shops and bed & breakfast establishments, to large restaurants, hotels, conference centres and stadiums.

HOSPITALITY RECEPTION (NQF 4 Hospitality)

This qualification has been developed for the reception function within the accommodation industry.

It brings together all aspects of front office and supervision. If you are friendly, warm, and love working with people, this programme is for you.

Working “front of house” at any accommodation establishment means that you will receive guests, handle their bookings and queries as well as ensure they are satisfied.

Hospitality reception is the first point of contact for a guest when he/she enters your establishment, and a huge responsibility indeed!

The qualification leads to an accommodation services diploma.

The course includes modules such as:

- Oral and written communication;
- Customer services;
- Front desk administration;
- Guest arrivals and departures;
- Reservations and booking systems;
- Maintaining butler and valet services;
- Stock control;
- Payments point operation and money handling;
- First aid and safety; and
- Job coaching.

Career opportunities

Opportunities include: bed & breakfast establishments, hotels, lodges, backpackers, campsites, holiday resorts as well as caravan parks.

Wherever there is accommodation provided for guests and tourists, you will be able to secure a position at the front desk!

ACCOMMODATION SERVICES (NQF 2)

This qualification has been developed for the accommodation industry, and brings together all aspects of housekeeping and basic supervision.

All hotels, bed & breakfast establishments and game lodges need beautiful clean rooms for their guests.

Accommodation services will prepare you to become part of the housekeeping team, and equip you to make sure guests always have a clean and friendly living environment.

The course includes modules such as:

- Oral and written communication;
- Customer services;
- Servicing guest bedroom areas;
- Handling and storage of equipment and materials;
- Maintaining the housekeeping service;
- Maintaining a preventative maintenance programme;
- Induction for new staff to the workplace;
- Stock control; and
- Job coaching.

Career opportunities

This qualification is applicable to all accommodation establishments. You will be able to supervise all housekeeping services in any hotel, lodge or bed & breakfast in the country, and will be able to take up a vital role in any housekeeping team.

The government has set a target of creating five million jobs in 10 years. It is a task it cannot accomplish in isolation, but for which entrepreneurs such as Innocentia Matong are primed to play a leading role through provision of skills that enable unemployed people to gain a permanent foothold into the workplace.

Minister of Higher Education and Training Dr Blade Nzimande has repeatedly reminded matriculants not to despair when they fail to gain entry into university, but seriously consider FET colleges as an option.

That is the role the African Global Skills Academy is fulfilling with distinction.

Nokukhanya Gasa

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As the largest South African professional services network we haven't forgotten the importance of investing in people.

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Amway blazing the BBBEE trail

Amway has cause for celebration; its Township Strategy is yielding positive results (thereby empowering people at grassroots) and for the first time has grossed US\$1 billion in sales worldwide

Amway Southern Africa's foray into the lower end of the market – the Living Standards Measure 4-6 segment – is paying promising dividends, according to Makhaya Manie, its Manager for Corporate Affairs.

"We are buoyed by this experience in view of the fact that people are responding well to our message, which is encouraging, really," he stated.

"The Amway Township Strategy has led to a sway in business, as witnessed during our road shows to Kwa-Mashu, Gugulethu, Khayelitsha, Soweto, Soshanguve and Marabastad. Subsequently, there has been overwhelming feedback in those new markets."

This has led to a flurry of activities at Amway facilities, with sales and visits going up substantially.

The Amway Township Strategy 2010 has a three-year life span, after which it will be reviewed.

"So far the pilot project has shown encouraging signs," nodded a confident Manie.

Following implementation of Amway's Township Strategy, two fully fledged mobile centres opened in Soweto, followed by another in Tembisa. There has been activity in most of those areas, with the exception of Gugulethu in the Western Cape.

"Going by the results of a national survey conducted recently, entrepreneurial zeal is

still a challenge in the Western Cape, but much of that thrives up north. In essence, that is the foundation upon which we base decisions on where to open mobile centres," Manie explained.

As for Amway's expansion into the rest of Africa, that will have to take a back seat for now, as the company presently concentrates its operations in southern Africa – Namibia, Botswana and South Africa.

"The strategy is one that hinges on growing a majority black clientele base; for this reason; we have senior Amway leaders stationed in Namibia and Botswana. They are doing quite well there, making the Amway story a remarkable one," Manie exhorted.

Recession-proof

In spite of the widening debt crisis in the eurozone, Amway's tested business concept has shown resilience worldwide.

"Direct marketing is an industry that is insulated against recession, simply because it is a business that doesn't need a lot of overheads. It is the last resort, if you like, when the chips are down," Manie retorted.

To the uninitiated, therefore, is the Amway concept a business or job opportunity? "It's a combination of both," he replied. "It's self-employment, which entails running your own business (creating a job for yourself), generating income at your own pace, and being dependent largely on your passion.

"It is a stress-free business operation, hence there are between four to five million distributors of Amway products worldwide, with 80 000 of those in southern Africa.

"Its flexibility suits a lot of people's lifestyles, as it allows you to undertake the business on a part-time basis if you so wish," Manie emphasised.

Amway prides itself on a unique concept that deals in its own offering of homegrown manufactured products.

"Our business focuses on helping people to become better business leaders, gain skills and a better lifestyle, build families and bring rewards to others. The Amway concept has stood the test of time since 1959," says Manie.

"Passion is a key ingredient to success in Amway. It offers an outlet for a person to improve their life and the lives of others."

The Amway business concept is structured so that anyone can potentially rise to "executive diamond", the highest rank in the company's business opportunity hierarchy.

Products determine the success of distributors in the direct marketing sphere. To make it easier for business owners to access more products, and for questions of affordability, Amway responded to market dynamics by reducing the size of select products. This range includes home care, personal care, health and wellness and cleaning products in addition to jewellery, which Amway is marketing in partnership with reputable retailers.

“At the end of the day, drive and passion determine your profitability. Distributors get an introductory pack, consisting of information material, personal and commercial packs. This is the start you need. It could set you on a path to financial freedom,” explained Manie.


Startup capital

In a bid to meet the expectations of the LSM 4-6 market, the Amway start-up kit costs R352, down from R1 000. In keeping with the limitations of this demographic, it markets to this group mostly through word of mouth, in addition to hosting imbizos and opportunity meetings.

Another avenue helping Amway market its products is its corporate social investment (CSI) outreach. The company has partnered with the Department of Education to supply portable desks to vulnerable schools, particularly useful for rural children who receive tuition under the shade of a tree. Amway is undertaking this task in conjunction with a non-governmental organisation, Lapdesk South Africa, and so far 1 000 portable desks have been donated.

Amway has extended its CSI outreach to Zambia where, in partnership with the Christian Alliance for Children in Zambia, it is running a shelter for kids orphaned by HIV/Aids and those abandoned by parents who are in the latter stages of the illness.

Amway Southern Africa has 80 000 business owners across all demographics. “We are not just about money, but core values, personal wealth, integrity, an ethical ethos and the freedom to do business in this way and improve people’s lives.

“Our amazing story as Amway can best be summed up in four simple points: opportunities that empower, brands that delight, relationships that endure, and global citizenship that is purposeful,” echoed Manie. 

David Mwanambuyu



Amway's Manager:
Corporate Affairs,
Makhaya Manie



Ellis Mnyandu, "Business Report" editor

Readership statistics say it all

The *Business Report* appeals to a wide audience

Business Report is South Africa's national financial daily. It is a contemporary publication that strives to provide value-added reporting and analysis of current events and the stories behind the news.

The focus of *Business Report* is anchored by four pillars: business and corporate news; governance; economics; and markets and opinion. For news, analysis and insight, make *Business Report* your constant companion.

- *Business Report* has 1 222 000 readers daily:
- *The Star Business Report*: 660 000
- *Cape Times Business Report*: 172 000
- *Pretoria News Business Report*: 122 000
- *The Mercury Business Report*: 204 000
- 80% of *Business Report* readers have Matric or better

- 24% of readers are in LSM 8-10, while 58% fall within the extended LSM 11-14

Income

- Average income 2½ times higher than the national average:
- Household income: R20 946
- Personal income: R10 938

Work status

- 61% work full-time or part-time
- 16% are self-employed
- 79% of readers have a personal bank account
- 113 000 have mutual funds or unit trusts
- 181 000 make use of Internet banking facilities
- 184 000 have a retirement annuity or personal pension policy
- 86 000 have an endowment policy
- 311 000 accessed the Internet yesterday

- 384 000 have life cover
- 359 000 are members of a medical aid scheme
- In excess of 46% of readers own a motor vehicle, while 30% regularly travel by air inside South Africa

TGI research reveals that *Business Report* readers agree with the following statements:

- I read the financial pages of my newspaper (44%)
- I rely on newspapers to keep me informed (45%)
- I look forward to reading the newspaper (49%)
- I set aside time each day so I can read the newspaper (53%)

"Business Report" data is current as of April 2011.

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A close-up portrait of Siza Mzimela, a Black woman with long, dark hair styled in braids. She is smiling warmly, resting her chin on her right hand. She is wearing a black top, a pearl necklace, and a silver wristband. The background is a soft, out-of-focus indoor setting.

In the cockpit:
Siza Mzimela is the first
female chief executive of
South African Airways

SAA battles turbulent times

South African Airways predicts a turbulent 2012, with a buildup of external pressure

Dileseng Koetle, SAA's spokesperson, says the state-owned enterprise (SOE) made a net profit of R782 million in the 2010/2011 financial year – a 77% increase from last year's R442m, despite the fact that the operating landscape was challenging due to Brent crude cost fluctuation.

"In addition, SAA – as with most global airlines – felt the impact of the dip in passenger numbers due to adverse global economic conditions," she adds.

"The financial performance is an encouraging response to the strategic objective contained in the group strategy of becoming a fully sustainable business over the next three years.

"The focus for the airline over the last financial year included marked enhancement of business efficiencies as well as improved governance and operations," explains Koetle.

SOEs, with some exceptions, have been plagued by poor decision-making and frequent reliance on the government to bail them out of financial difficulty.

Minister of Public Enterprises Malusi Gigaba is on record saying that his department will exercise a "hands-on, robust" approach to ensure SOEs meet policy standards. "We have to ensure there is alignment between the national interest and commercial interest mandates," he said.

South Africa has over 400 SOEs but, because they straddle other departments and tiers of

government, only nine fall within the ambit of the Department of Public Enterprises.

Manie van Dyk, shadow minister of Public Enterprises for the Democratic Alliance, says the party believes that when public companies compete directly against private companies, there may be the unfortunate situation where taxpayers bail out inefficient operations and may crowd out the private sector. This has happened in previous years, with the bailouts of SAA and the SABC.

Calling for the possible privatisation of SAA, he says the DA believes international experience has shown that other countries were able to privatise their national carrier without jeopardising national pride or the clear national branding of the airline.

Although the national airline is now on steadier ground, its turnaround involved an ongoing legal battle with former chief executive officer Khaya Ngqula, who was accused of mispending sponsorship money during his time at the company. The SAA board went to court in a bid to recover around R30m from him.

Economist Zandile Makhoba of Econometrix agrees that following a change in leadership, SAA has been able to achieve a significant improvement in revenues and operating profits. "The business is expected to expand over the next few months, with its African destinations expected to be increased from the 20 it currently has.

"SAA's improved financial performance is indicative of an organisation that is operating optimally," she adds.

Despite internal improvements, however, a smooth ride is not predicted. A rise in airport costs, increased competition, the global financial crisis, environmental pressure and anger over baggage pilfering all indicate that a tough 2012 lies ahead.

Airports Company South Africa's 70% tariff hike in October 2011 could clip the wings of many travellers.

"Any increase in airport costs increases the cost of air travel for South Africans and reduces the competitive position of South African aviation (with other African hubs) when travel decisions are made outside of South Africa," says Koetle.

"The price of a ticket influences the choices of passengers and travel agents globally, and this will be felt by all consumers considering air travel.

"Energy costs have increased substantially, with a gross impact on demand for air travel. In line with the 'supply and demand' principle, increases in price will affect demand, as airlines may be forced to increase their pricing in order to remain profitable. SAA, however, is focused on cost compression without further increase in pricing," she emphasises.

"SAA is increasing capacity in the markets it currently serves, and passenger numbers are expected to increase accordingly. SAA's low-cost subsidiary, Mango, will play a significant role in capturing this growth with its capacity increase in the domestic markets.

"Mango has been successful in ensuring first-time flyers take to the South African skies, and will continue to stimulate this market," says Koetle.

With 1time making a loss in the first six months of 2011; Comair, which operates Kulula.com and British Airways, reporting a drop in profit in the year ending June 2011; and the International Air Transport Association (IATA) reporting in July 2011 that "African carriers continue to experience the weakest demand, with a 2.9% fall compared to June 2010 levels" – SAA and other African airlines will have to find innovative ways to stimulate demand.

SAA finds itself under pressure environmentally as well. In October, Minister Gigaba stressed that South Africa, which is one of the highest per capita carbon emitters, has identified the transition to a "green economy" as an opportunity to develop new industrial and technological capabilities to support economic growth. He said SOEs could play a key role in catalysing diversification to a green economy, and singled out SAA as being vulnerable to policies in countries in which it operates, which impose penalties and taxes on carbon emissions.

"Indications are that SAA will require that biofuels make up half its fuel supply by 2020, in order to avoid future penalties," he said.

In response to the South African National Taxi Council (Santaco) low-cost airline launched in September, Koetle says: "SAA welcomes competition. Our airline is confident that Mango offers travel options that are both convenient and cost-effective. Mango's young fleet, impressive on-time performance record, coupled with a number of innovative solutions – Mango was the first airline to retail air tickets in-store (purchasing tickets at Checkers) and offer retail charge card options – makes it an attractive travel option."

With pressure from these newcomers and existing competitors shaping SAA's approach to customer service, travellers stand to benefit. "The more competitors in the market, the tougher it gets to stand out on customer service. SAA is undertaking a major Customer Service Improvement Programme, and we are already receiving feedback that this is having an effect," says Koetle.

A more controllable threat to SAA is that of baggage theft at OR Tambo International

Airport (ORTIA). SAA CEO Siza Mzimela has been quoted as saying that the airline suffers more reputational damage than other airlines from baggage theft at ORTIA because so much of its capacity is concentrated there.

Koetle adds that pilferage at ORTIA is 0.6 per 1 000 – double the average 0.3 rate at other airports in the world.

"SAA has a zero-tolerance approach to pilferage, and is spearheading an intensive joint project with all its key stakeholders at ORTIA. This structured approach is geared toward improving baggage handling, reducing pilferage, and providing a sustainable change that will benefit our customers," she says.

Vuledzani Patience Ndou of *Economists.co.za* agrees that SAA seems to be healing from past shames that "include unnecessary spending, which led to losses and much debt". "The company seems to be moving toward better health," she adds.

Ndou believes that flying has been made affordable through competition in the market, saying that Africa's largest air carrier – and its customers – can only benefit from sharing customers with Comair, 1time (which now includes Velvet Skies) and soon from Santaco, "if it succeeds".

Fellow economist Makhoba adds that the challenges faced by SAA are not unique. "Possibly the greatest concern for businesses in this sector is the higher oil price during 2011, which may have a lagged impact on business costs in the near future.

"A slowdown in economic activity may also see revenues declining in the medium term. However, the new leadership seems well equipped to manage these challenges.

"Increased competition from lower cost airlines is likely to present ongoing challenges. Nevertheless, Mango contributed R18.5m in profits during 2010/11," she notes.

SAA's commitment to furthering the continental linkages is likely to contribute positively to business activity and relations in Africa with South Africa, believes Makhoba.

"In particular, SAA has been looking at expanding its services to towns with mining linkages with the continent. The active role within the mining chain could

contribute to improved efficiency in the production, sale and distribution of mining resources, with the expansion of airfreight services also easing logistical challenges on the continent."

Expands Koetle: "Aligned to the airline's growth strategy, the Johannesburg–Ndola route was recently launched. This is set to connect the City of Gold to Zambia's copper mining capital.

"As part of SAA's plans to improve its intra-Africa connections and grow its route network, the airline will similarly provide connections to Abidjan, Abuja, Antananarivo, Bujumbura, Cotonou, Kigali and Ponte Noire. These routes are set to strengthen SAA's already expansive route network, positioning South Africa as a major destination and key transit point for connecting long-haul international and regional African destinations."

To further unlock connectivity in Africa and eastern markets, SAA is geared to launch its Johannesburg–Beijing route later this year.

Another positive development is CEO Mzimela's appointment as a member of the IATA board of directors – the first woman to be appointed to the board in 67 years.

"This is a step forward for South Africa and the continent as a whole. It adds to Africa's voice internationally and increases our continent's level of influence at industry-related strategic forums," says Koetle.

In addition, SAA won the Skytrax Best Airline in Africa Award earlier this year for the ninth time.

Looking forward, Koetle says that establishing a sustainable capital base and inculcating financial and operational efficiency is SAA's primary focus. "In addition, strengthening our African and global presence and focusing on the airline's growth as a group through Mango, SAA Technical (SAA's maintenance repair organisation), AirChefs (SAA's inflight catering business) and South African Travel Centre (SAA's corporate and leisure travel centre) are areas the airline constantly works toward optimising.

"SAA has a very clear understanding of its role as an SOE and its role to support state policy objectives.

"As we grow our business, we see no challenge in supporting policy objectives such as the Airlift Strategy (growing in-bound passenger numbers) and the New Growth Path," she concludes.

Sentech sends out the right signals

State-owned signal provider, Sentech, is starting to shake off its dismal reputation.

CEO Setumo Mohapi, however, has admitted that its turnaround strategy is not yet complete after a history of irregular and wasteful expenditure.

Ndou of *Economists.co.za* says the services offered by this company are of the utmost importance to channel global information to consumers and businesspeople.

Despite this, it is a prime example of why the government needed to initiate a review of SOEs.

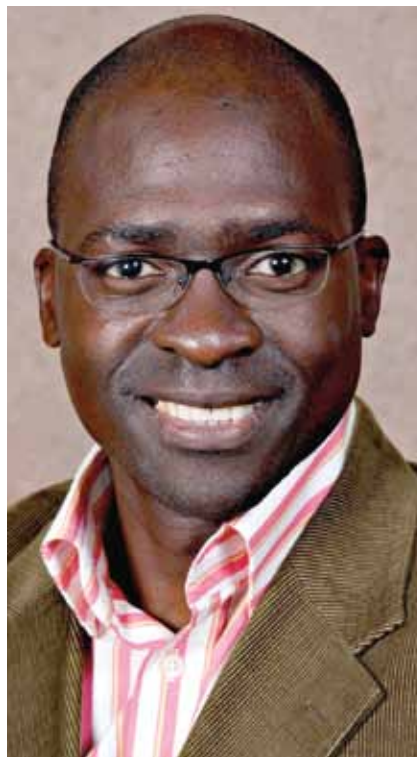
According to the DA's Van Dyk, the party has documented the total value of state support to SOEs since 2005/2006; and of the R281.75bn, Sentech received a total of R953m.

Early in 2010, the *Mail & Guardian* reported on an internal Ministry of Communications report which, it claimed, said that "serious consideration" should be given to replacing the board and executive management, and that Sentech required the implementation of drastic measures to avoid lapsing into terminal decline.

Subsequently, senior staff members left Sentech after being implicated in mismanagement, and the board was fired. A number of senior employees were suspended earlier this year as part of the SOE's bid to cultivate "a culture of integrity".

In the 2010/11 financial year, the Sentech board sought to restore financial and operational stability within the organisation. "Significant progress has been made, particularly the restoration of positive cash flows, improved relationships with our customers, and implementation of key infrastructure projects," says Sentech spokesperson, Nthabeleng Mokitimi.

"Sentech is solvent, cash-positive and profitable," she claims. "The company has received an unqualified audit report."



Minister of Public Enterprises
Malusi Gigaba

This follows a loss of over R100m in the 2009/10 financial year and R191m in losses posted between 2005 and 2009.

"Sentech maintained a healthy cash position with R363m in unencumbered cash as at 31 March 2011. This cash position meant that the company would be able to operate as a 'going concern' – one of the challenges highlighted by external auditors in the previous reporting period," says Mokitimi.

"The discontinuation of the Carrier of Carriers business, combined with a significant improvement in the billing process, has improved the debt collection rate by 36% – to 95% – as at financial year-end. The debtor days stood at 16 days – exceeding the 30-day target that was set at the beginning of the financial year.

"Revenue by product improved from an average of 14% in the year ended March 2010 to 22% in this reporting period. This was mostly driven by analogue TV, FM, DTH [direct to home], BTV [Business Television]



DA Shadow Minister of Public Enterprises
Manie van Dyk

and facility rentals, which performed above set revenue targets," she adds.

"The company's SW [short wave] and VSAT [very small aperture terminal] products remain a concern, and plans have been put in place to reposition these services.

"Total revenue decreased from R846m to R826m. The decrease is largely attributed to the decrease in the dual illumination government grant, from R51m to R36m," explains Mokitimi.

Presenting its 2010/11 annual report to Parliament in October 2010, Sentech chairperson Logan Naidoo said the SOE's strategic road map for 2011 to 2014 will "go a long way in the restructuring of the company as we prepare to enter the digital world".

When the new board was appointed last April, its first task was to develop a business plan that would serve as the first part of its turnaround strategy.

New CEO Dr Setumo Mohapi was appointed in November 2010.

Sentech, which reports to the minister of Communication, began as a technical division of the SABC, responsible for signal distribution services of the corporation. In 1992, the SABC corporatised the division as Sentech, a wholly owned subsidiary of the corporation.

In 1996, the Sentech Act 63 of 1996 was amended, converting Sentech into a separate public company responsible for providing broadcasting signal distribution services as a "common carrier" to licensed television and radio broadcasters.

Sentech is responsible for the development and operation of a vital infrastructure that provides broadcasting, wireless broadband (VSAT) and managed services to a wide range of customers.

According to Mokitimi, digitising the analogue terrestrial network is a key project

within the broader objective of establishing an information society. In this respect, Sentech is responsible for building network infrastructure to ensure broadcasters migrate to digital television broadcasting within the timelines of the International Telecommunication Union and the government.

"Digital terrestrial television (DTT) will provide free-to-view and subscription multi-channel, multi-platform viewing experience with access to more television programmes," she says.

Sentech is confident that the December 2013 analogue switch-off deadline will be met. "In this respect, we are upgrading the current DVB-T sites to DVB-T2, and 21 more sites will be rolled out to achieve 74% population coverage by end of March 2012."

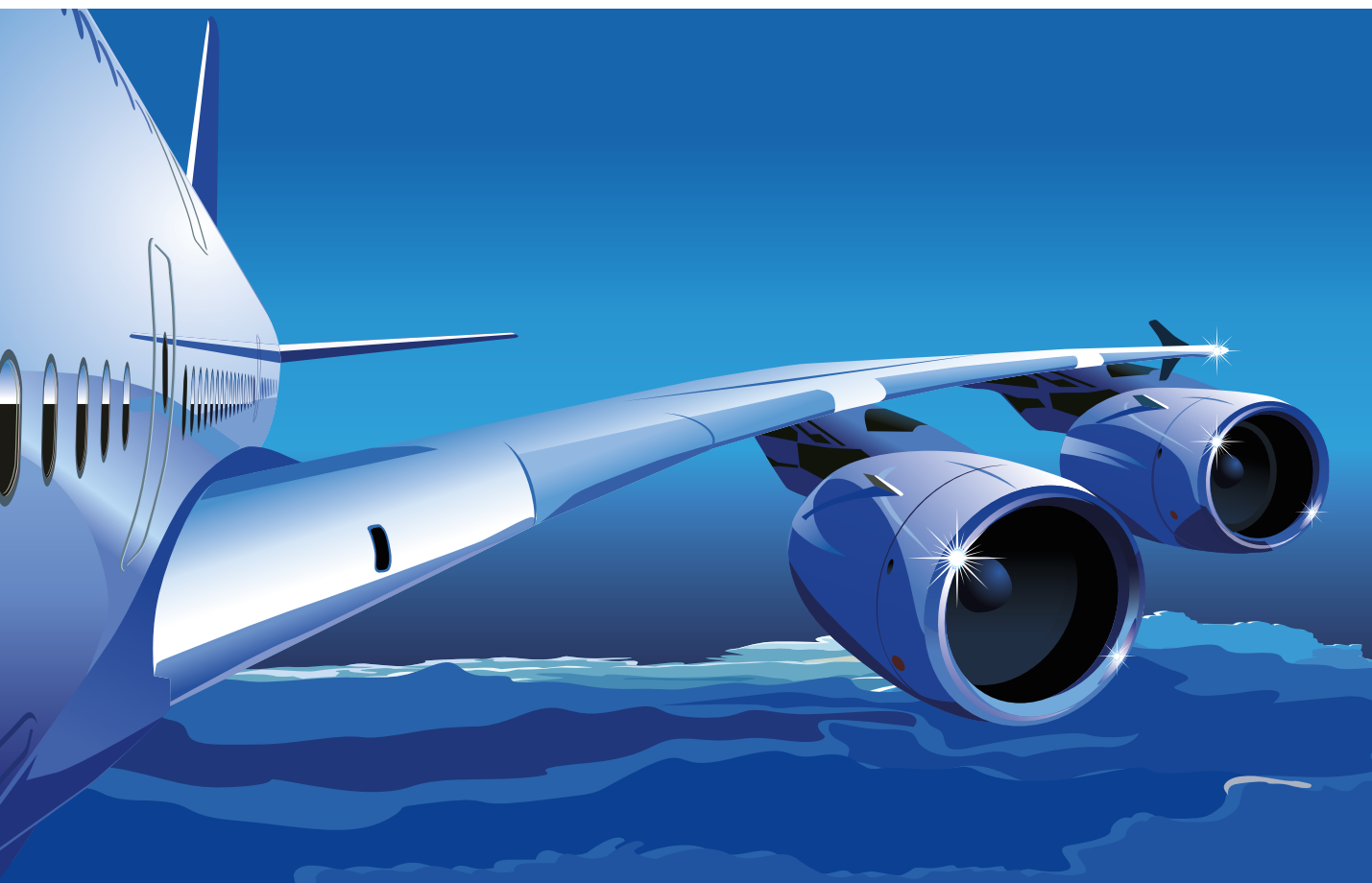
Compared with peer countries, both Internet and broadband penetration remain on a rather

low level in southern Africa, admits Mokitimi. "To address this issue, the Department of Communications was tasked with rolling out a Consolidated National Broadband Network. Sentech, as an enabler, will then roll out a National Wireless Broadband Network to provide a multimedia platform.

"This will offer access and connectivity to clinics, schools and further education and training institutions in rural and underserved areas; and any other sphere of government," she says.

There have been rumours that Sentech and fellow SOE, Broadband Infraco, will be merged – but all that Mokitimi would divulge is that the two will "explore partnerships where possible, for the achievement of their respective public service mandates". **BBQ**

Cathy Grosvenor



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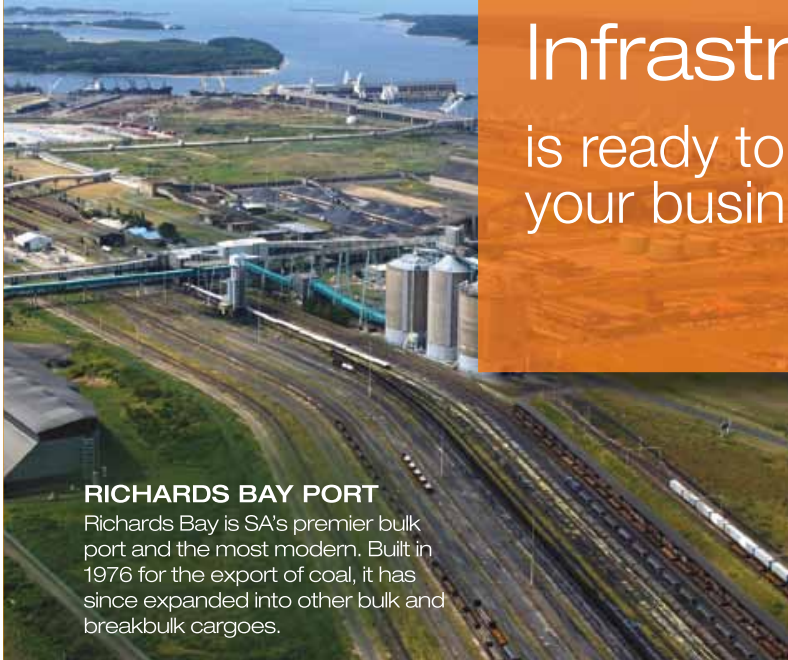


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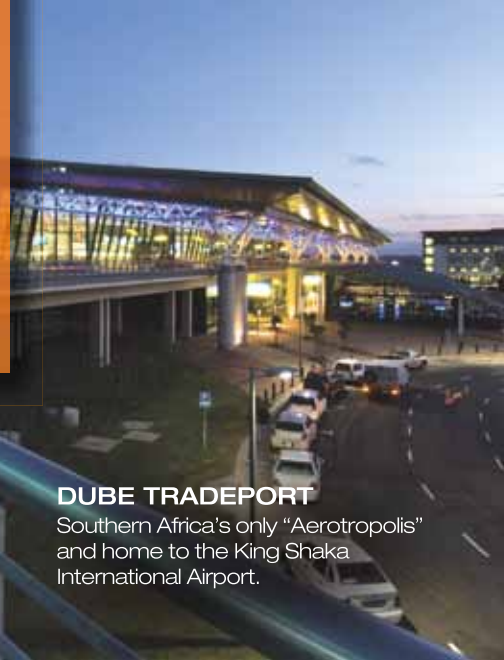


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Beauty has become a beast

More dynamic appeal for sportier Lexus IS

South African motoring enthusiasts are hungry for performance models that show discerning taste. Small wonder, then, that South Africa has become one of the few global markets to have the IS 350 as part of the Lexus line-up.

The IS 350 is the latest in an exciting and evolving Lexus model range that is becoming more dynamic and visually bold, more exciting to drive, yet still satisfying to own, with every conceivable luxury.

And, of course, that is backed by legendary customer service, recognised independently as among the best in the world. It is what Lexus has built itself around and prides itself on, because "luxury is an experience, not just a car".

What the competition doesn't have

Owners of competing models will have to spend a fair amount extra to get the features the IS 350 comes with as standard. Apart from the highest power output, the IS 350 comes with HID headlamps, daytime running lights, park distance control, as well as a reverse camera with back guide monitor, and HDD navigation. Electric seats with lumbar support are also included.

The IS range

The exciting new IS 350 bridges a gap in Lexus' IS range between the IS 250 and IS-F. The IS 250 sports a 2.5-litre V6 engine and has become known as the car where optional is standard. Even the IS 250 E



boasts many features off the options list of its German competitors. The popular EX grade adds even more luxury before the IS 350 adds its performance package to the same specification list. The IS 350 SE comes with every imaginable luxury as standard, from seat heaters and coolers, through a moon-roof, to 18-inch wheels and a 14-speaker Mark Levinson digital surround sound system. The formidable IS-F features 311kW of 5.0-litre V8 muscle for the ultimate IS performance experience. But if it's even more style you're after, the IS 250C allows open air motoring for four with one of the fastest retractable hard-tops in its class.

Exhilarating performance

Lexus' sophisticated 3.5-litre V6 engine delivers class-leading performance. The IS 350's 233kW drives the rear wheels through a six-speed automatic gearbox with paddle shift. Not only does it have the most power in its class, the IS 350 also offers blistering acceleration: 0-100km/h comes up in just 5.6 seconds.

Safety

With such exhilarating performance, the IS 350 – as with every Lexus – brims with safety technology. Vehicle Dynamics Integrated Management (VDIM) combines every safety system on board holistically so that each system works harmoniously with the other. The IS 350 is equipped with eight airbags, including knee bags.

Lexus IS prices

IS 250 E	R368 900
IS 250 EX	R446 200
IS 350 EX	R499 700
IS 350 SE	R548 600
IS 250 C	R578 500
IS-F	R808 800

For more information or to arrange a test drive, visit www.lexus.co.za or follow Lexus at www.facebook.com/LexusSouthAfrica.



Successful turnaround strategy



Estate Agency Affairs Board forges ahead

The underlying mission of the Estate Agency Affairs Board (EAAB) has always been to play a positive role in promoting the professionalism of practicing estate agents and striving to ensure the rapid transformation of the estate agency sector so that it aligns with the demographics of a democratic South Africa.

Additionally, the EAAB actively encourages economic growth and development, including the creation of sustainable career pathing and other opportunities, within the property sector in general and the estate agency environment in particular.

The EAAB, in fulfilling its regulatory mandate to maintain and promote the conduct of estate agents and regulate their activities, has had the benefit of working in active collaboration with a variety of stakeholders, including the Department of Trade and Industry, which the EAAB's Executive Authority; the Services Sector Education and Training Authority (Seta) particularly its Property Chamber; the Financial Intelligence Centre; the Institute of Estate Agents of South Africa; the National Property Forum; the National Association of Managing Agents; the South African Property Owners Association; and many other similar

local and international bodies. The EAAB presently enjoys a mutually beneficial working relationship with these organisations.

The EAAB strives to achieve the highest possible level of synergy as it continues to promote the economic viability of smaller and medium-sized estate agencies South Africa.

It is fully supportive of the Department of Trade and Industry in its vigorous national effort to place the South African economy on a new growth path capable of creating five million new jobs by 2020 through the implementation of the Industrial Policy Action Plan. The Industrial Policy Action Plan, in fact, is a flagship programme of the Department of Trade and Industry and it is this policy that will continue to shape and inform the ongoing activities of the EAAB.

The estate agency sector presently provides employment opportunities to some 50 418 registered estate agents (both principals and non-principals) who are the holders of fidelity fund certificates (licences to legally operate as estate agents) issued by the EAAB. These estate agents operate from the 10 728 estate agency enterprises that are active in this dynamic and ever-evolving sector.

The demographic profile of estate agencies is still heavily skewed in favour of white South Africans, and unfortunately does not

reflect the realities of the present democratic dispensation. It is absolutely imperative that this situation should be addressed as soon as possible. The EAAB, together with the Services Seta, will have to play a more significant role in achieving this necessary outcome.

It is also essential that instances of 'fronting' should be effectively combated and that the mechanisms of broad-based black economic empowerment (BBBEE) should be used to support productive activity, training and skills development in the real estate environment.

A new entry qualification framework for estate agents was introduced by the Estate Agency Affairs Board on 15 July 2008. This framework is specifically designed to equip both new and practising estate agents with a multidisciplinary, integrated grounding in the principles and practice of being an estate agent.

Non-principal estate agents are persons who are employed as estate agents by an estate agency. The prescribed estate agency qualification for non-principal estate agents is the Further Education and Training Certificate: Real Estate. After obtaining this qualification, non-principal estate agents will have acquired the broad range of knowledge, values and skills that they need to operate successfully.

Principal estate agents are persons who operating their own estate agencies. They need to

obtain the National Certificate: Real Estate. This estate agency qualification builds upon and also consolidates the knowledge, skills, competencies and values that candidates gained while obtaining the Further Education and Training Certificate: Real Estate.

Estate agents who have been certificated against either the Further Education and Training Certificate: Real Estate or the National Certificate: Real Estate qualify for admission to the Professional Designation Examination. This examination, which is conducted by the Estate Agency Affairs Board, is an integrated test of the professional knowledge and practical expertise required of estate agents.

Successful candidates are entitled to use the following designations: Professional Practitioner in Real Estate (PPRE) for non-principal estate agents and Master Practitioner in Real Estate (MPRE) for principal estate agents. These designations are valid as long the person holding them has been issued with a fidelity fund certificate by the EAAB.

The EAAB remains confident that both its Board members and staff will go from strength to strength in implementing the EAAB's innovative regulatory programmes. These are not only aimed at ensuring excellent service delivery, but also at enhancing the knowledge, competencies and skills of all estate agency practitioners.

The EAAB earnestly hopes that these measures will enable us to increase the protection offered to consumers who deal with estate agents, and also ensure the accountability of estate agency practitioners.

Together with board members, the EXCO and management of the EAAB, acting CEO Bryan Chaplog has been instrumental in implementing a successful turnaround strategy for the EAAB. The primary objective of this innovative strategy is to ensure the maintenance of excellent service delivery and, of course, the protection of consumers.

Being an estate agent has become the career choice of an overwhelming number of people, and this can only be to the benefit of all.



Bryan Chaplog, Acting
Chief Executive Officer

Transformation's birth pangs

BEE – are we moving forward, or going backwards?

Since inception, the measurement of a company's black economic empowerment (BEE) progress has been fraught with controversy, confusion and contrasting interpretations. In spite of all this, the verification industry has managed to establish itself as a recognised and vital part of everyday South African business life. Just when the murky waters of BEE measurement were clearing, another controversy has hit the industry – one that no authority has been able to address adequately or resolve. This issue involves industry charters and their applicability.

BEE as a process is the responsibility of the Department of Trade and Industry (the dti). It is tasked with ensuring the intent of the Broad-Based Black Economic Empowerment (BBBEE) Act is followed.

To achieve this, the dti has published numerous guidelines in the form of Codes of Good Practice. These have been supplemented by other guidelines (the Verification Manual is but one example) that are intended to clarify the principles contained in these codes.

Despite these guidelines, however, there is still an incredible amount of room to interpret the codes and, as such, an industry practice has resulted that is now generally accepted as a fair interpretation. This practice has largely been driven by the verification

agencies, which seem to have a generally accepted understanding of how to measure any empowerment initiative.

It was not always like this. The first verification agencies were accredited by the South African National Accreditation System (SANAS) in February 2009; before that, any person with a basic understanding of BEE and a desire to issue certificates could do so.

The rigorous SANAS accreditation process initially only granted accredited agencies the right to issue certificates under the dti's generic Codes of Good Practice. Soon hereafter, the first industry charters were gazetted as Codes of Good Practice, which resulted in SANAS having to rejig its processes to accredit verification agencies under these charters.



This process has been slow and is compounded by the fact that more charters have subsequently been gazetted as Codes of Good Practice: to date, we have charters for the Construction, Tourism, Forestry, Accounting and Transport industries.

Obviously, each verification agency would like to be in a position to verify a company's progress in each sector; but in order to do so, they need to be accredited by SANAS.

In the absence of such accreditation, a verification agency appeared to be allowed to follow one of two options when verifying an industry code: they could either issue a certificate without the SANAS logo, or they could opt for dti generic code verification – in keeping with the principle that all codes enjoy equal status.

I use the word “appeared” because neither the dti nor SANAS seemed to be disturbed by either course of action.

Some concerns have been raised about this issue, however. Verification agencies find themselves at a crossroads, as the BBEE verification process is a voluntary one. These agencies and their clients are accused of fronting because a dti generic certificate

was issued where an industry charter may be applicable.

These allegations have been refuted by verification agencies, but they stand alone in this issue. Neither the dti nor SANAS are willing to be drawn into the fight; SANAS argues that it does not make the law, and the dti appears to be stuck in the middle with the opinion that the industry charter must apply.

The issue is simply a question of law, which revolves around the voluntary nature of BEE and when a company is compelled to follow an industry charter. The Codes of Good Practice clearly state that the generic codes and the industry charter are equal in status.

Some may say that there is a legal obligation on a company to follow an industry charter when it falls within that category; any failure to do so is, in fact, a fronting exercise. The converse of this argument is that BEE is voluntary; and unless a company wished to do business with the state, then the company may choose between the industry charter and the dti's generic codes.

There are now two avenues open to the verification industry. The first is to take this entire matter to a court of law to interpret both the

legislation and the Codes of Good Practice, and provide the industry with much-needed legal clarity. The second option is for the dti, as custodian of BEE matters, to lead the way in this.

Option number two is most probably more attractive to the dti because certain legal opinions have concluded that the processes surrounding the gazetted of the various Codes of Good Practice are flawed, which would result in a court of law declaring many of the codes invalid – necessitating the dti to embark on the entire consultation process once more.

In the absence of either of these courses, it is my view that calm must prevail. There is no clarity on the law, and the dti is silent on fixing the law. However, we cannot forget that one of the guiding principles of BEE is that of substance over legal form. It is this very principle that allows transformation to take on a more fluid nature and allows us to achieve the intentions of the Act without getting bogged down. **BBQ**

*Ebrahiem Mohamed
Director: National Empowerment
Rating Agency*



Tax collection to slump by R13bn

Finance Minister Pravin Gordhan charts financial course for next three years



The government would maintain a countercyclical fiscal policy over the next three years by growing expenditure to bolster job creation, Minister of Finance Pravin Gordhan revealed on 25 October 2011, while warning that revenue collection is expected to be R13 billion off target.

Tabling the Medium-Term Budget Policy Statement in Parliament, he said that the budget deficit would rise to 5.5% in the next financial year as a result of lower-than-projected revenue, before declining to a deficit of 3%.

Gordhan said that by 2014/15, a moderation in spending growth, combined with a recovery in tax revenue, will reduce the deficit enough to stabilise debt-service costs as a percentage of gross domestic product. "This will allow government to rebuild fiscal space to address future economic downturns, and provide resources for development in a sustainable manner," he added.

The government collected revenue of R758.4bn (including R674.1bn in tax) in the 2010/11 financial year – 27.6% of South Africa's GDP of R2.75 trillion and up on 2009/10 revenue that amounted to a slightly lower 27.2% of GDP (R2.44 trillion).

But the minister said that estimated gross tax revenue had been revised downward by R13bn to R728.6bn for 2011/12, largely as a revision in net value-added tax receipts to R187.5bn – R13.4bn below the 2011 budget estimate due to an underestimation at the time of the Budget.

Gordhan said that despite a 12.6% growth in tax revenues in the 2010/11 financial year compared to the previous financial year, revenue collection for the year under review and the forecast for 2012/13 reflect weaker economic conditions.

However, he added, as the business cycle turns over the next three years, revenue performance would pick up.

Budget revenue has been revised down by R10.3bn in 2011/12 and by R18.8bn in 2012/13.

Total gross loan debt has grown from R627bn or 27.1% of GDP in 2008/09, to R990.6bn or 36% of GDP in 2010/11.

Foreign debt has come down from 15.5% of gross loan debt in 2008/09, to 9.9% in the last financial year.

As a consequence of the wider deficit, the government is expected to borrow R181.2bn in the next financial year. Its borrowing requirements are expected to come down to about R150.4bn in 2014/15.

Gordhan said that debt issuances over the next three years would be maintained at current levels by drawing on cash balances and exchanging debt maturing within the next several years for longer dated debt.

Government spending as a share of GDP has risen from 27.2% in 2002/2003 to 33.8% of GDP in 2009/2010.

Since 2008/2009, public expenditure has continued its upward trend, but at a more moderate pace.

Last year, government expenditure made up 32.2% of GDP and is projected to rise to 32.9% this financial year, before decreasing slightly to 31% by 2014.

In preparing the 2012 Budget, departments are expected to identify savings that will contribute to financing the government's targeted outcomes.

Total government expenditure, including expenditure on interest, is expected to rise 8.4% between the current financial year and 2014/2015.

The cost to service state debt, which is expected to increase by 14.4% between the current financial year and 2014/2015, is the fastest rising of all components of the budget.

The second fastest rising cost is on economic infrastructure including transport, communication and energy – expected to increase 9.5% over the same period.

Education, with a revised estimate of R190.8bn or 19.5% of the total R978.8bn of government expenditure for the current financial year, remains the largest category of expenditure.

This is followed by social protection at R147.8bn (15.1%) for the financial year under review, local government and housing at R121.5bn (12.4%) and health services at R113.2bn (11.6%).

Of the R811.2bn in government revenue, national government is expected to be allocated (in 2010) R377.8bn, provinces R291.7bn (including R71.5bn in conditional grants) and municipalities R70.1bn.

With changes to the baseline, national government has been allocated R2.3bn less than laid out in the 2011 Budget, while provinces get an additional R5.3bn. 

Source: *BuaNews*
www.buanews.gov.za

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Their service philosophy reflects their commitment to the transformation of the country. Their clients include state-owned companies, private and emerging companies as well as national, provincial and local government.

SizweNtsalubaGobodo is a member of Morison International (MI). This global association of professional service firms, provides innovative support and quality advice to its members. Their affiliation with MI provides their clients with a global gateway to international solutions to business needs.

The company is also registered with the Johannesburg Stock Exchange, the New York Stock Exchange and Luxembourg Stock Exchange.

SizweNtsalubaGobodo prides itself in its ability to provide innovative solutions to both public and private sector clients. With proven capabilities and a strong focus on service delivery, the firm is poised for further growth and prominence in the industry.

The company's vision, mission, values and philosophy are shaped by the country's heritage and robust leadership. As the benchmark for integrity, equity and professionalism, SizweNtsalubaGobodo seeks to inspire by setting new standards of excellence.

The history of the company is entrenched in their business leaders' focus on innovation and progression. Its roots can be traced back to 1985 when SizweNtsaluba VSP was established primarily as a business consultancy and advisory firm. The audit services were subsequently added to the service offerings.

Its other major branch of the family tree is Gobodo Incorporated, which was established in 1996 by a group of black chartered accountants, under the leadership of Nonkululeko Gobodo, the first black African female chartered accountant in South Africa.

Having been in operation for at least 25 years, the firms combine over 40 years of experience across various industries. As the two paramount black audit firms in the country, our individual histories have assisted in chartering a path toward industry prominence.

SizweNtsalubaGobodo values the contribution of its people. Various in-house training and development platforms have provided the intellectual capital to support business mandates and ensured that the company's people use their skills for the benefit of the broader community. Emphasis is placed on people living the corporate values in order to maintain its market positioning.

SizweNtsalubaGobodo serves and plays an active role in a number of important local industry bodies, including the Association for the Advancement of Black Accountants of Southern



Executive Chairman: Nonkululeko Gobodo

Africa (ABASA), Black Management Forum (BMF), African Women Chartered Accountants (AWCA), Association of Black Securities and Investment Professionals (ABSIP) and Black Business Executive Circle (BBEC). The firm is accredited by Independent Regulatory Board for Auditors (IRBA), South African Institute of Chartered Accountants (SAICA) and IIA.

SizweNtsalubaGobodo's national infrastructure aligns with its corporate strategy to broaden service delivery and strengthen its specialist services. The high calibre of its staff, ensures that the company is able to provide quality services to its clients.

The company has maintained a presence in major centres across all nine provinces in the South Africa.

Aligned with its vision of being a leading and innovative assurance and advisory partner of choice, SizweNtsalubaGobodo's comprehensive solutions have been compressed into these key focus areas:

- Audit
- Advisory
- Forensics.

For more information, visit our website www.sizwentsalubagobodo.za.com or e-mail info@sng.za.com.



Statement of **change** in the accounting landscape

Change is good. That's why we at SizweNtsalubaGobodo believe in the transformation of our country. We also believe that for the transformation to be sustainable it must be based on a strong foundation of skills, experience and commitment. With an established national footprint and over 800 skilled people, we are ready and capable to provide you with innovative business solutions. Contact us on **011 231 0600** and **011 718 8600** or visit us at www.sizwentsalubagobodo.za.com

Perfection comes naturally.

A professional portrait of Dr. Claudelle von Eck, a woman with long, dark, wavy hair, wearing a red blazer and a black scarf. She is looking directly at the camera with a slight smile. The background is a blurred indoor setting with warm lighting.

Number cruncher: Dr Claudelle von Eck heads the Institute of Internal Auditors South Africa

Woman with a head for figures

Dr Claudelle von Eck is blazing a hot trail in a hitherto male domain

She believes in finding a purpose to one's life, and building a career around that purpose, says Dr Claudelle von Eck, chief executive officer of the Institute of Internal Auditors of South Africa (IIA SA).

She further believes the internal auditing profession has a significant role to play in the overall well-being of the country, and embraces the opportunity – both on a personal and professional level – to contribute to the empowerment of South Africa by raising the professional standards of the internal auditing community.

Von Eck feels that her role provides an opportunity to give back to the country, by ensuring internal auditors add value to the organisations they serve.

She points out it is not possible to separate the IIA SA from the profession itself, as the organisation exists to serve the profession. As such, there are two pressing issues that IIA SA is focused on addressing in its new strategy.

The first is the lack of understanding around the role of the internal audit profession, which causes negative spin-offs for the profession. Often, organisations establish internal audit functions from a compliance perspective, without a true understanding of the value internal audit can add. As a result, internal auditors often find there is resistance to their presence, as they are viewed as a necessary evil. This makes it difficult for the internal auditor to perform at optimal level and provide the audit committee with meaningful assurance.

Secondly, there are scores of cases where internal audit is pitched at the incorrect level of seniority and, sometimes, placed within the wrong reporting lines. The head of internal audit should be pitched at executive level, reporting to the CEO administratively, and functionally to the audit committee. It is imperative that the organisation understands the role of internal audit as a key assurance provider to the board of directors, through the audit committee.

"If the audit committee itself does not understand the role of internal audit, how can the committee drive the process and how can internal audit successfully deliver the value it should?" she asks.

In recent years, the expectations placed on internal auditors have increased dramatically.

for South Africa (King III) has now placed a greater emphasis on the importance of internal audit. The result has been a greater emphasis on the requirement for internal auditors to be competent and on top of their game.

A key strategic driver for the IIA SA is thus the competence of internal auditors and determining a definite career path for the profession. As part of its new strategy, there is therefore a renewed focus on the 'professionalisation' of internal audit.

The Institute has taken a strong position on the definition of the term "professional".

In order to be considered a professional internal auditor, four elements must be in place. Firstly, a relevant academic qualification is required. Secondly, the required on-the-

"Much like dancing is about interpreting and moving to the music, so a team within an organisation should determine its rhythm together"

This is mainly as a result of the increased complexity and volatility, which results in increased risks with which organisations are now continually faced. In addition, the revised Code of and Report on Governance Principles

job training programme must have been completed (essentially, this equates to three years: two to qualify as an internal audit technician and one to qualify as a general Internal auditor), after which one can sit the

exam for the most senior level – the certified internal auditor i.e. the test of competence, which is the third element.

Lastly, a professional must be linked to a professional body.

There are two main reasons membership of a professional body is important. This is to ensure the professional is linked to the standards that govern the profession. The Institute of Internal Auditors, of which the IIA SA is an affiliate, is the creator and custodian of the global internal audit standards.

In addition, it is imperative that the professional be held accountable against a code of ethics. The IIA SA has an active disciplinary committee that takes action against those who bring the profession into disrepute. It is important for employers to have the assurance that their internal audit professionals are accountable to the Institute.

It is vital that employers take such factors into consideration when employing an internal auditor.

"Too often, we see that employers look for the wrong credentials when employing internal auditors and especially heads of internal audit. This is often due to the fact that the market, in addition to not understanding the role of internal audit, also does not understand the difference between external and internal audit," says Von Eck.

External audit is primarily a financial discipline, whereas the multidimensional nature of internal audit mandates a much broader scope in the organisation.

Where there is a lack of understanding is when there is a tendency to employ people into internal audit roles, who purely have a financial background and focus. Without the necessary training and understanding of the role of internal audit, they may end up focusing on the organisation only from a financial point of view and neglect other important factors such as supply chain management and auditing the culture of the organisation.

The internal auditor not only focuses on the financial aspects, but essentially on every element of the organisation – in terms of its risks, the controls that have been put in place to

mitigate those risks, as well as whether those controls are adequate and adhered to within the organisation.

The internal auditor plays the role of an independent adviser who can challenge current practice, champion best practice and be a catalyst for improvement, with the objective of ensuring the organisation as a whole can achieve its strategic objectives.

"Given the great demands on internal auditors and the significant role they play, it is important that they are adequately qualified to add value at the right level," says Von Eck.

To this end, she and her team have instituted measures to address the issue regarding qualifications required to fulfil the role of internal auditor.

"As a relatively young organisation, we have a way to go, in terms of promoting the profession, building our brand and educating the broader society on what it takes to be an internal auditor. Ideally, this will be targeted broadly, starting at school level – allowing learners to choose internal audit as a career, instead of falling into it by default as is so often the case," says Von Eck.

The Institute has set continuing professional development criteria for those who have qualified through its certification programmes. "To this end, IIA SA offers courses and conferences to its members, allowing them to continue their professional development," says Von Eck. "From 2012, we will be offering seminars and webinars, which will allow us to also reach our members in remote areas."

As CEO of the IIA SA, it is her mandate to provide direction to the IIA SA, ensuring the structure and operational elements align to the strategy and that the infrastructure supports and enables the delivery of service.

Von Eck takes a collaborative approach to leadership, leading by example and giving strategic direction.

One of the challenges she faces is the fact that the organisation has limited resources.

"Our strategic plan is very optimistic, and requires us all to continually innovate and stretch ourselves. This becomes tricky when you only have so much to work with," Von Eck admits.

"As an NGO [non-governmental organisation], we cannot compete with the private sector in terms of attracting skilled staff. We need to find people who want to make a difference in their country. In our current climate, those people are really hard to find."

Leisure

In her spare time, Von Eck enjoys Latin American and ballroom dancing. "I have been dancing for the past 12 years. This is my time to find equilibrium and forget about everything and all stressors," she says.

"I have learnt so much from dancing: it teaches you about partnerships, listening and intuition. Much like dancing is about interpreting and moving to the music, so a team within an organisation should determine its rhythm together.

"My collaborative leadership style has, to a great extent, been shaped by what I have learnt through dancing," she reveals.

"We have fantastic internal audit functions and many pockets of excellence within the South African internal auditing community, which can be compared to the best in the world. The Institute hopes to make these positive aspects uniform throughout the public and private sectors, ensuring internal audit adds the value it should and that our members are consultants in best practice."

Von Eck holds a BA degree from the University of the Witwatersrand, a three-year Business Management diploma from the Institute of Administration and Commerce, an MBL degree from the Unisa School of Business Leadership, as well as a DPhil obtained through the University of Johannesburg.

She currently serves on the Unisa Council and has served on the Unisa School of Business Leadership board and audit committee.

Furthermore, Von Eck represents the IIA SA on global committees of the internal audit profession, thus providing South Africa's input on international platforms. **BBQ**

*Institute of Internal Auditors
South Africa
www.iiasa.org.za*

Mathematical talent in short supply

PwC transformation geared at bridging the skills gap

Transformation is making significant progress in the accounting profession, but there are still not enough potential chartered accountants to feed the demand from the profession, says Dino Desai, Human Capital Leader at PwC.

"The biggest challenge facing the accounting profession is the equality of the education system," says Desai. "There are too few learners matriculating with good marks in mathematics, which is one of the causes of the skills shortage in the accounting, financial services sector and other disciplines such as engineering."

According to Desai, parents and teachers need to motivate and support learners to choose disciplines, such as mathematics and science, in order to pursue careers in chartered accountancy, actuarial science or engineering.

A study carried out by the South African Institute of Chartered Accountants (SAICA) in 2008, found there is a shortage of 17 000 accountants in South Africa, in addition to 5 000 chartered accountants.

The Government's Human Resource Development Strategy 2010 to 2030, has also disclosed the need for more financial managers and engineers.

There are fewer skilled professionals, particularly black people, graduating from the universities. Studies in the accounting profession show that between 1999 and 2009, the total number of university enrolments was 504 068, of which only 60 114 (11.9%) were awarded degrees.

Desai says retention of black accountants is also proving difficult due to more lucrative packages offered in commerce and industry.

However, the good news is that the profession is gradually starting to respond to the skills shortage. SAICA's 2010 figures show that since 2002, the number of chartered accountants has risen 49% to 31 165, with black chartered accountants up 237% to 5 302, and white accountants up 34% to 25 863.

Furthermore, initiatives by SAICA, such as the Thuthuka programme, aim to increase the number of black chartered accountants. The programme, which starts at grade 8, encourages learners to take mathematics as a discipline.

Desai says PwC is taking a more aggressive approach in a bid to attract and retain talent.

The firm was recently recognised by the Association for the Advancement of Black Accountants in Southern Africa (ABASA) for its achievement in producing the highest number of black chartered accountants this year. PwC contributed 129 black chartered accountants to the profession.

Desai says the firm is involved in a number of initiatives to drive transformation in the profession and grow chartered accountants for the broader economy. These include mentoring and bursary schemes, in addition to contributing to SAICA's Thuthuka programme.

PwC's number of black staff amounts to 1 850, of which 79 are partners. According to Desai, a significant percentage (63%) of the firm's newly admitted partners are black. More than half of the firm's trainee accountants (57%) are black.



Recently, the firm was independently rated AAA for its broad-based black economic empowerment (BBBEE), which equates to a level 2 contributor under the Department of Trade and Industry Codes of Good Practice. The firm's transformation strategy is largely driven by the recruitment of black professional staff and female professionals. The retention of black staff at senior level is a priority for the firm, he says, with focus on succession planning; mentorship and coaching programmes; and measurable transformation goals.

After several years of negotiation, the CA Charter was recently gazetted and implemented by the Department of Trade and Industry. Large accounting firms with an annual turnover of more than R35 million must be 32,5% owned and managed by blacks. This is more than their equity targets of 25% contained in the Government's BEE Codes of Good Practice. The Charter's primary focus is on skills development, with the objective of increasing the number of black chartered accountants.

www.pwc.com



Maintaining high standards

Toward sustainable South African markets

Sustainability is uppermost in everyone's mind. The difference between this and other buzzwords is that without sustainability, the future becomes somewhat blurred and uncertain. So, if we are serious about providing our future generations with something concrete, of substance and which is sustainable, we need to call to account the many role-players now who will influence this future.

The Independent Regulatory Board for Auditors (IRBA) is one of these role players and, while it is only one component of a much larger vision, its contribution cannot be underestimated.

South Africa was yet again ranked number one out of 139 countries in the latest Global Competitiveness Report conducted by the World Economic Forum (WEF) for 2011/12, for the strength of its audit and reporting standards regarding company financial performance. This has to mean something, particularly to investors and the international community.

The WEF's annual global competitiveness reports examine various factors enabling national economies to achieve sustained economic growth and long-term prosperity with the goal of benchmarking obstacles to improved competitiveness and finding solutions to overcome them.

For South Africa to maintain the number one position for a second year (and climb from

second position in the previous year), it must send a clear message to the government, business, financial institutions and investors that, despite the challenges faced by our country, South Africa is still a preferred place to do business. And it is an additional feather in our cap if the international community recognises South Africa as a respected player in the global markets.

How did this happen?

South Africa was one of the first countries to adopt international auditing standards. This was a very strategic decision at the time, as far back as 2005 when South Africa realised that the world needs to understand the standards against which financial statements in the country are prepared, as well as the standards against which they are audited – which must necessarily be world-class. This is how we can promote foreign investor confidence in our financial markets and stimulate the required foreign investment.

The mandate of the IRBA is to protect the public interest, and investors are increasingly turning their attention toward the auditors. They are demanding more communication from auditors – not only by improving the current audit report, but also for auditors to report on non-financial matters such as sustainability.

As a result of the increasing demands from the public, it is critical that providers of

assurance services are appropriately regulated, and that there are appropriate standards, ethics and monitoring of these professionals so that the public can place reliance on these assurance reports. Such reliance will ensure that confidence in our financial markets can be maintained, both by international and local investors.

Although the auditor provides assurance on financial and non-financial information, such information comes about through various processes carried out by a variety of stakeholders. These include, but are not limited to, governance structures, regulators, the legislature and a host of other role-players.

Internal audit plays a vital role in ensuring the credibility of the information on which the external auditors express assurance, and the auditing standards include a specific standard that addresses the reliance auditors can place on internal audit. So it is not only a single stakeholder that brings about the high-quality financial reporting, which is essential to secure a strong, sustainable financial market for South Africa.

We cannot afford to drop our guard. The IRBA must maintain the highest standards and remain at the cutting edge of developments in our field, and so stay relevant for the South African economy.

This sounds like a tall order, but the IRBA will rise to the occasion.



IRBA Directors Standing: (L-R) Sandy van Esch, Director: Standards; Laine Katzin, Director: Education, Training & Professional Development; Willemina de Jager, Director: Operations; Paul van Helden, Director: Inspections; Jane O'Connor, Director: Legal. Seated: Bernard Agulhas, CEO

Rustenburg joins rapid transport race

First-of-its-kind public transport skills development programme launched

In recognition of the need for highly specialised skills to ensure the success of the Rustenburg Rapid Transport (RRT) project, the Transport Rustenburg Incubation Programme (TRIP) has been launched for local graduates to receive mentorship and formal training that will enable them to actively manage the future RRT system.

"BRT [bus rapid transit] systems are new to South Africa, and the TRIP training curriculum is therefore specifically designed to enable the graduates to play a productive role in the management and operations of the RRT from first day of their employment by the Rustenburg Local Municipality," said Dr Johan Bosman, who is spearheading the programme.

The RRT project has been hailed by Councillor Mpho Khunou, executive mayor of Rustenburg, for being "more than just a transport venture, but a transformation project."

One of the leading components of transformation is skills development; and through TRIP, it is an area that the RRT is now addressing.

The incubation project is believed to be the first of its kind to be attached to any of the public transport projects being developed in South Africa, and the successful conclusion of this project could see it being used as a model for similar projects in transport infrastructure and systems development around the country.

"If the TRIP programme can be implemented successfully in Rustenburg, it can be rolled out to other areas of the country, or the concept could be adapted for application to other



skills transfer programmes," said Dr Bosman. "The Department of Transport has already expressed interest in the concept, should it be successful."

TRIP selected six candidates between the ages of 18 and 30 with tertiary degrees to participate in the training project.

"The TRIP programme will provide on-the-job training and mentorship to local graduates during the full three-year period of the design and implementation of the Rustenburg Rapid Transport system," stated Dr Bosman.

He has been selected to head up the programme, given his intimate understanding of the transport industry and on account that he has managed numerous transport projects in his 40-year career. He has spent 18 years in the public sector, 22 years in the private sector and served for six years as a part-time professor in Transportation Engineering at the University of Johannesburg.

RRT advertised for applicants in the local newspapers, and recruited on the North West University campus.

Local government will be actively involved in the selection process, and municipal officials will attend the evaluations sessions

when the TRIP trainees report back on their progress at the end of each module. The successful applicants began their training on 1 November 2011.

By 2015, when the RRT is expected to be providing public transport to Rustenburg, they will have the opportunity to be among the productive people managing effective service delivery to the people of the city. Those who successfully complete the training will be recommended for employment by the Rustenburg Municipality, and required to commit to work there for a minimum of three years.

"Through the TRIP incubation programme, we are laying the foundations for the future human resources of the RRT, at the same time as we are laying the physical foundations for the transport network," said Councillor Khunou.

"It's a unique programme, designed to build specialised talent from the ground up to drive effective service delivery from the municipality in provision of a world-class public transport network. We look forward to witnessing the future successes of the trainees." **BBO**

www.rustenburg.gov.za

Transnet Freight Rail rolls out a fixed and scheduled railway service

Transnet Freight Rail, which previously used a tonnage-based dispatching system to move goods, is migrating to a scheduled railway service model in a bid to build on the efficiency improvements that have already been brought about by the deployment of the new EMD and GE diesel locomotives.

TFR, which runs between 750 and 1 025 trains a day nationally, has already launched its fixed train scheduling in four corridors, namely:

- Phalaborwa-Maputo and Richards Bay for magnetite;
- Welgedag-Palmford for Majuba Coal;
- Uitkyk-Komatipoort for TCM Coal; and
- Phalaborwa-Richards Bay for rock phosphate.

The schedule specifies the path that each train takes, as well as its arrival and departure times on every node of the specified rail path.

The company will roll out fixed schedules on the remainder of its network in phases and hopes to complete the process by mid-2012.

In terms of the tonnage-based dispatching systems, trains were run only when enough traffic had been accumulated. Although this approach tried to minimise the total number of trains needed by maximising their size, in practice it disrupted the efficient utilisation of crews, locomotives and equipment.

“It also yielded inconsistent transit times, making service delivery less reliable at a time when our customers needed a better service to compete in their own markets”, TFR Chief Executive Siyabonga Gama said at the unveiling of the new model on 15 November.

“What TFR is doing is to turn to operating every aspect of the railway on a fixed schedule tightly matched with traffic patterns. Essentially, this entails developing a model that optimises the routing and classification plan for each train movement,” said Gama.

A scheduled railway means that all the activities on the supply chain must be optimised. TFR will thus rely heavily on customers loading and offloading according to agreed time norms, with cargo-handling terminals doing the same so that appropriate benchmarks of wagon turnaround times and locomotive efficiency can be achieved. Through the supply chain optimisation process, collaboration on stockpile management, shipping schedules and loading rates will continue to be key.

“We're very excited to introduce this new operating approach. Though it is early days yet, we anticipate huge gains in efficiency and productivity and better service for our customers. Our job, however, is not done. We're continuously looking for new ways to improve our service offering, which is crucial to our success in the future,” said Gama.



Siyabonga Gama



Tailored for SUCCESS

Soweto designer makes maiden appearance at London Fashion Week

He has to succeed, come rain or sunshine – this is the simple yet profound mantra that drives 44-year-old Lesego Malatsi, a designer from Soweto. He is making history and redefining the rules of the fashion industry. His company, Mzansi Designers Emporium, based in Johannesburg, is taking more African inspired fashion to the catwalk and the high street.

He recently made his debut at London Fashion Week, which is part of the biannual round of seasonal fashion shows that take place in New York, London, Milan and Paris.

"I never dreamt I would show my clothes on an international stage," remarks Malatsi, whose fashion ambitions were formed under the corrugated metal roof of his Soweto home.

He currently employs 17 people, in addition to having a five-year plan to create 850 work opportunities for young designers.

Malatsi recalls that his journey from rags to couture began when he completed Matric and went in search of a vacation job. He landed up in a cosmetic company, which trained him as a beauty consultant.

He was drawn into the fashion world when he was required to do make-up at fashion shows and beauty contests. This is when the bug bit, and subsequently he decided to pursue a career in fashion, which was a far cry from what he had always wanted to do while growing up.

"In high school, I was preparing myself to become an accountant. But that fell by the wayside when I realised other opportunities existed, and I became attracted to the world of fashion," adds Malatsi.

He recalls, with a mixture of pain and pride, the old days when there used to be no money to send him to school. His mother used his father's pension payout to pay for his tertiary education.

Malatsi says studying was difficult, as fashion design is an expensive course that requires much money. In his final year at the Cape Peninsula Technikon (now incorporated into the Cape Peninsula University of Technology), he was headhunted by Foschini, following a competition he had entered. He did not take the job, but instead sought better prospects in Johannesburg.

He thought finding a job would be easy, since he had been headhunted as a student; alas, this was not the case, as it could not have been more difficult.

Malatsi found inspiration and direction in the strangest of places – in a taxi – where he struck up a conversation with a lady who told him she was a member of a sewing project. She invited him over to have a look at their operations.

Getting off the ground

Malatsi was so impressed with their project that he immediately negotiated a trade exchange agreement, where he would make patterns and designs for them in exchange for use of workspace and sewing equipment. "This is how my business started," he proudly announces. This arrangement continued for a number of years.

With the success of his own company, Antony Couture CC, many people in the industry acknowledged him as being key to developmental structures. This was the moment Mzansi Designers Emporium was established in tandem with one partner, who later resigned. They had an express mandate to help other designers establish themselves.

From their experience, Malatsi and partner had determined that there was a lack of opportunities for fashion designers starting

out and that it could be daunting to start a fashion label without any assistance. They had found that reasonably priced working space and equipment were also hard to come by.

Malatsi and partner unfortunately could not secure funds to meet the needs of the young designers they had in their stable. Neither did they have enough money to bring people on board and guarantee that they would make money at the end of the month. They decided they needed to benchmark themselves, and chose to trade under their own names.

Malatsi attributes their failure to lack of credibility. Neither did they have any success stories to showcase. This, however, did not deter him from moving forward in this industry. When his partner resigned, he soldiered on until 2007 when he received an order for uniforms from a government department.

The Richard Branson factor

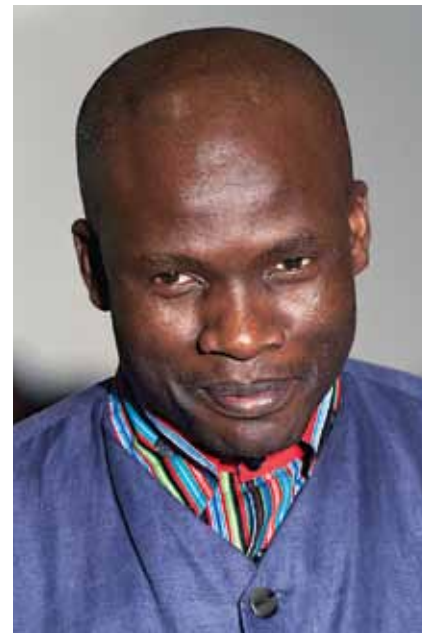
Malatsi could not execute that order for lack of funds. The banks were not willing to invest in a young business without collateral.

A recommendation found him at the doors of the Branson Centre of Entrepreneurship South Africa. It specialises in identifying the very best businesses, attitudes and potential – attributes that are not always found on a CV, but in the person.

The Centre equips South African start-up entrepreneurs who have an existing business with practical skills and tailored mentorship programmes; and facilitates networking opportunities to further expand their business and, ultimately, employ more people to create sustainable employment. As a result, the Centre assisted Malatsi in more than merely the funding he had initially required.

He says: "A couple of other opportunities presented themselves; it was not just the assistance with money – a whole new world opened to me. The Branson Centre assisted with exposure to networking sessions and to people who added value to my life, and also put me on a training course that taught me how to run a successful business."

Malatsi still recalls with disbelief the invitation to Sir Richard Branson's home in the United Kingdom. Branson, founder and



Lesego Malatsi of Mzansi Designers Emporium

president of Virgin Group, hosts the annual *Sunday Times* Fast Track 100 gala dinner at his home, inviting 100 of the fastest growing companies in the UK to the event. Malatsi was invited to address the delegates.

Forging ahead

Mzansi Designers Emporium has transformed from being a developmental institute to becoming a profitable business. It has grown from a turnover of about R15 000 a month to R80 000. It designs, manufactures and distributes exclusive African inspired men's and women's wear.

It is true that Malatsi is an investor in people. The company acts as a platform for emerging fashion. It nurtures staff by giving them the technical skills, training, business management training, as well as the ability to run motivational and self-esteem building programmes. As more designers emerge, they become role models – inspiring and enabling others to follow in their footsteps.

Malatsi believes the success of a company relies heavily on its most important assets – the employees – and he does everything possible to ensure they are well taken care of.



His design style is influenced by South Africa's diverse cultures. Although his horizons have been broadened by his travels, they have not made their way into his designs just yet. He is, however, looking forward to future collections, where he incorporates international styles into the traditional South African inspired fabrics.

Malatsi says making a name for oneself in the fashion industry is, and was, not an easy task. There were those who did not believe in his work, as he recalls being asked by SA Fashion Week "what he was doing".

"As a development institute, people could not see the value of what we were doing. They also could not see our expertise, as there was no success story, no credibility," he explains.

Malatsi decided not to get involved in the politics of the fashion industry, but focused on running a successful enterprise.

"The one thing on my mind was that I had to succeed. I had to succeed come rain or shine – not because I wanted to prove something to someone, but so I could provide for myself," he elaborates. "That vision changed with time; as soon as I employed the fifth person, I realised it was no longer about me, but about sustaining the jobs I had created. It became about them being able to feed their families. It became a game of survival for all of us."

Distribution

When Mzansi Designers Emporium was started, its main distribution channel was through individuals coming in to buy from the studio. It has since grown and established a flagship store at Maponya Mall in Soweto.

It now has three distribution channels. It maintains its custom-made apparels for those who prefer to go to the studio, and caters for walk-in clients who patronise the shop, as well as an emerging corporate client base which, from time to time, buys in bulk.

Malatsi is driven by passion; a desire to see clients smile when they collect their clothes. He says it is this satisfaction that guarantees their return for more outfits.

He realised the twin challenges of managing the business and creative sides of things. At inception, he did it all himself, until he realised

it was taking up much of his time. He has since contracted out the administrative side of the enterprise.

One of Malatsi's aspirations is to contribute to bringing about positive change and development in the South African fashion industry. To this end, the company has developed a social responsibility programme: 20% of its profits go toward charity and developmental projects. "I support a number of charitable organisations, especially ones assisting abused women and children," he adds.

The company offers two students experiential learning at its own expense. There are further plans to develop a Mzansi Designers Emporium Foundation. Malatsi says the foundation would focus on giving experience to new designers and mentorship.

According to him, mentoring in general is important; but in the fashion industry, it is almost necessary. He adds that there are some things that one cannot learn from the classroom, which one can only master by observing and being receptive to the changing landscape.

Malatsi advises anyone looking to break into the fashion industry that it is not about the glitz and glamour, as it is perceived and portrayed by the media. Instead, many aspiring designers have to snap out of such reveries and deal with needle pricks to realise their dreams. They need to research and develop new ideas constantly, as it is the only way to craft innovative notions that will transform the industry.

He recommends every woman should have a five-piece power suit, comprising a jacket, skirt, and a pair of pants; a dress and a coat. This allows one to be versatile. "By changing one item, you will look different," he says.

For men, a power suit is absolutely a must, says Malatsi, adding that you can have one suit and jazz it up with different accessories in the form of shirts and ties. "For those who are not afraid to break boundaries, a choker on guys adds that elegance and gives one the edge."

With Sir Branson now a fan of his menswear, and a new flagship store at Maponya Mall for his label, Malatsi is ready to take South Africa to the fashion world. **BBQ**

Charity Ncube

Nutritious lunch is the tonic

Provision of subsidised healthy lunches for staff could lead to higher productivity

The holy grail of modern business is productivity: valuable beyond measure, but often frustratingly elusive. Add to the mix an economic climate globally that is, at best, uncertain and, at worst, promises to impact economies negatively for upward of a decade.

So a healthy, committed and productive workforce is arguably more important now than at any time in our recent history. Trouble is, it is not only bosses who are feeling the strain.

Frequently, company owners and managers assume low levels of productivity are down to workers not being engaged or committed to their jobs. The truth is that often, poor performance or excessive sick leave can be attributed, in part, to the stresses and excesses of our collective modern lifestyle.

As a generation, it is true that many of us fail to exercise or eat the kind of nutritious and well-balanced meals we should.

The impact of ill-health on the bottom line for commerce is well documented, and the stress on healthy living has never been more acute. Bizarrely though, a 'hard worker' today is someone who, for the most part, is

desk-bound, rather than someone engaged in physical activity.

In these austere times, then, the notion of allocating budget toward an employee nutrition or wellness programme may seem a luxury few can afford. It may well, however, be a measure you cannot afford not to implement.

Consider firstly the real hard cash cost to your business of absenteeism. As a country, South Africa's annual bill for absenteeism exceeds R12 billion.

So, spending money on employee nutrition or 'lunch programmes' could actually lower costs. Among the key areas in which you as a business owner or manager will benefit are:

- Decreased absenteeism;
- Reduction in staff turnover and associated recruitment costs;
- Increased productivity, health and morale; and
- Fewer claims for workers compensation

The practice of employee-sponsored nutrition programmes is already widespread in the United States and some parts of Europe, and has impacted positively on the overall health and wellness of employees – leading to dramatically improved productivity and reduced absenteeism, particularly when

aligned to a wellness programme that includes exercise, such as discounted gym memberships or work training sessions.

Some may question how providing merely one meal a day for their workforce could have a significant impact on their overall health?

Consider, though, that the modern worker can spend anywhere from 30% to literally half of their working hours at the office, and that the midday meal contributes significantly to the overall food intake of any one day.

Likewise, nearly every employee needs to eat while at work; and by ensuring the lunch meal is healthy and nutritionally balanced, it often has a knock-on effect as to what constitutes healthy eating, which carries over into their wider food choices.

A further note of interest is that often it is more beneficial for the employer to sponsor only a portion of the total cost of the lunch programme, as it has been proven that when workers 'pay' for the lunch, they perceive the value proposition as being far greater than when it is simply paid for by the company. In other words, the old maxim: "that which is free has no value", holds sway. **BBQ**

www.irvinebartlett.co.za



Christian Matuz, the brains behind iHealth Meals

iHealth Meals offers employers and their workers a range of menu choices that can be formulated into an employee wellness programme.

Lunch/daily meals are priced at R34.99 each.

Employers subsidise 50% (R17.50) per meal each day for employees at work.

What's on the menu?

- Grilled chicken, herb pilaf, raw peppers
- Grilled steak, grilled veggies, butternut crush, blue cheese sauce
- Salmon en croute, baby potato, horseradish crème fraiche
- Stuffed mushrooms, arrabiata sauce, couscous
- Lamb burger, beetroot, tzatziki, sweet potato wedges
- Tamari broccoli, beetroot linguine, walnut pesto



lebonelitho printers [pty]ltd

Reg. No 2005/038840/07

Brochures Folders Books Magazines Calendars
Catalogues Leaflets Corporate Stationery
Labels Diaries posters Annual Reports
High Volume Web Printing Digital Printing
Litho Printing Graphic & Conceptual Design



**Experience in the production
and delivery of quality products
as per the clients' specifications.**

About Lebone

Lebone Litho Printers (Pty) Ltd is **100% black owned** and can be introduced as an organisation and manufacturer of full colour litho and commercial printing.

The services which can be provided are based on experience in the production and delivery of quality products as per the clients' specifications.

An important fact to register is that we are a Manufacturer and not an Agent or Broker.

Our organisation directly controls the production and the quality of our products on site within our capacity and workflow.

Lebone can categorically claim its ability to provide high Lebone's products which consists of a range, which includes die cutting, foiling, UV varnishing and laminating.

Our current employee profile reflects a 95% inclusion of historically disadvantaged individuals.

We can attest to a high level of experienced management with regards to diversity of human resources as well as diverse client needs.

As an organisation we rely on a proven track record of competitive pricing, quality products, consistent quality and service delivery.

Core Business

Lebone Litho Printers manufactures full colour litho printing as well as security printing and commercial printing which is based on experience in the production and delivery of quality products as per the clients specification . As well as facilities management for printing.

An important fact to register is that Lebone Litho Printers are manufactures and not agents or brokers. Our organisation directly controls the production and quality of our products on site within our capacity and workflow. We can categorically claim our ability to provide high quality products consisting of a range of products i.e

High Quality Printing
Examination Printing
Election Ballots

We have a track record which reflects quality selection procurement and delivery of products required at institutions within the education system. In particular Lebone Litho Printers was responsible for the provision of learning and teaching support materials within the classified "other" grouping against the earmarked funds budget in 2004.

Litho

In an ideal world, man and machine should work as team to coordinate the printing process. The best way of ensuring efficient cooperation between operator and press is by creating a perfect flow of information between the two or heidelberg 8 colour. The Prinect CP2000 Center makes this possible. It unites press operation, remote ink and register control and, depending on requirements, the collection of press operating data in a single control console. Its key feature is the touchscreen which can be used for making all entries and performing checks.

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The iGen3 gives you the flexibility to say yes to more customers. Now short runs don't have to be so short. Fast turnaround is even faster. Every page can be customised and personalised. Combine colour with black and white, print on demand books, catalogues, brochures, direct mail, inserts, and flyers with brilliant graphic arts quality.

Graphic Design

PureBrown is a fully owned subsidiary of Lebone Litho Printers rendering full-service design agency solutions in creative, and marketing expertise on the web, graphic and motion design markets. Since these areas overlap and feed off each other, our broad range of specialists are able to brand your company more intelligently through wider media objectivity. We offer everything from the copy writing/conception of the ideas to the final output. Below is a summary of the key areas;

With PureBrown you get to speak directly to the designer team rather than an account executive. That way we get to know you and your project requirements much quicker, creating an effective marketing solution that's on budget, on schedule and beyond expectations.



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Focusing on centre pivot schemes

A large centre pivot irrigation project in the North West Province offers pointers as to how irrigation projects involving small farmers can be successful

The Taung Irrigation Scheme was created 30 years ago, went to ruins and was recently restored. The North West Provincial Government decided in February 2008 to replace or repair the centre pivots. Senter 360 replaced 54 of the 72 centre pivots. By September 2009, the centre pivots were completed, with the upgrading of the pump houses still in process.

The SENTER 360 centre pivot incorporates the industry-leading I-Wob sprinkler – the most expensive centre pivots sprinklers in the industry, but offering up to 98% distribution accuracy with perfect engineering, even droplet-size, which results in great water and power economy.

The total value of the Taung contract was more than R40 million. The Taung irrigation project involves mostly 40-hectare centre pivots. Each 40-hectare field accommodates four farmers, working on 10ha each.

In the Taung scheme, the farmers are individually responsible for their farms; but because the fields are operationally relatively indivisible, ploughing, planting and harvesting is often done by contractors.

One factor that has promoted the success of the Taung project is that large companies are involved in providing expertise on growing to the farmers (and their contractors), and in buying the production of most of the farms.

South African Breweries (SAB), one of the country's largest companies, is particularly involved in the project: barley is cultivated for it.



SAB provides considerable ongoing assistance and input so that farmers and their contractors plant in the right way and produce the right harvests.

These elements point to two factors that promote the success of pivot and other irrigation schemes: the involvement of skilled commercial farmers who have proven themselves capable

of farming in African conditions, and who are assured off-take for the harvests produced.

Ideally, where a new centre pivot project is being piloted, a few large commercial farmers should be recruited into the project in order to carry over the required skills, set the tone and provide an example of how to farm successfully.

Irrigation solutions for Africa

Senter360
Africa's pivot of success



COMPANY PROFILE

SENER 360 is a South African company. We have a simple policy of doing business with the highest standards of integrity. We therefore pride ourselves in not merely selling a product, but building long term relationships.

Designed and built in South Africa since 1994, SENTER 360 centre pivots are known for its superior construction quality and strength above industry standards and we as a company is renowned for excellent sales and after sales service.

We have been in the irrigation industry for more than 20 years, specialising in surveying, system design, installation and commissioning of irrigation systems. We have growing business interests in South Africa, Africa and internationally and offer a turn-key project development service from feasibility study phase to implementation and project management.

One of our recent achievements has been the allocation of an international tender for the supply of more than 50 centre pivots to the South African Government for the Taung irrigation scheme.



KEY ADVANTAGES OF SENTER 360

- The most effective way of irrigating large areas.
- Ensures constant high yields.
- More than 96% water distribution accuracy.
- Manufactured with high quality materials to very high standards of accuracy.
- Only the best quality heavy duty drive train components are used to cope with any terrain and ensures years of reliable service.
- Senter 360 has the strongest centre pivot span structure available today.
- We carry high levels of stock to be able to supply when you need it.

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Senter360
Africa's pivot of success
Since 1994



Is mediation commercially viable?

In a business dispute, mediation is always more cost-effective than litigation

Recently, I had the privilege of joining a colleague of mine, Michelle Domnisse, in assisting mediation between two parties whose business affiliation has utterly disintegrated. Domnisse is a qualified mediator, having completed a course from the Family Mediators' Association of the Cape (Famac), and she has extensive experience in mediating all kinds of disputes.

You may be wondering how a Famac course would be relevant to mediating a commercial dispute. I wondered the same thing myself! Surely, the concept of commerciality finds little relevance in a family dispute? If this assumption were correct, how would a mediator, trained in family disputes, have any relevance to settling a commercial matter between business partners?

The answer, quite simply, is that the art of mediation lies in one's ability to facilitate an environment for open dialogue, regardless of the subject matter to which the dispute relates.

With this in mind, the mediation began and my appreciation of the art of mediation skyrocketed.

The gist of the commercial matter was as follows: Jack and Jill have been in business together for over a decade, and both own 50% of the business. The company has grown immeasurably and taken on a life of its own, and new systems and processes have been put in place to manage and lead this growth.

Regrettably, the expansion of the company is rather bittersweet, as there is no longer a meaningful role in the company for Jill. Jack, on the other hand, has embraced the idea of relinquishing the centralised management control of the business and, whether by fate or by design, he has landed with his derriere in the managing director's butter.

Jill, however, seems to have resisted this decentralisation and, consequently, she holds a position in title, but not in fact. She has, in essence, become redundant.

A culmination of two years of bickering and power struggle has led to a sheer and seemingly irreconcilable breakdown of trust in the relationship between Jack and Jill. Both

members agree that the future of the company is reliant upon one of them relinquishing absolute control and ownership of the business. This is the only thing on which they agree – therein lies the dilemma.

Take cognisance of the fact that selling a 50% share in a private company, hot on the heels of the global economic meltdown, is nigh impossible. It is particularly so when the sale is contingent upon the buyer being content to finance the company yet remain rather silent in the daily management and control of the business. Indeed, there simply is not enough butter for two managing directors.

So how does one broker a ceasefire between Jack and Jill, while at the same time ensuring both get what is due to each, and recognition of the fact that both built the company to what it is today?

Option 1 would be to dilute the shares of both individuals by bringing in a third party. Option 2 encompasses empowering a board to vote in the event of disagreement between Jack and Jill, and option 3 foresees an exit strategy for one of them.

At this point, your natural inclination as an attorney may be to litigate this deadlock. Let us call in the big guns, warm up the keyboards, get deposits, and begin drafting well-worded but essentially acrimonious letters – and the lawyers can play e-mail ping pong for a while.

Wrong! You see, the company is currently hamstrung. It cannot move forward, as no internal process exists for dealing with this deadlock; and it cannot revert because bygones are bygones.

A strategy document is in place, which allows a board to be approached in the event of a deadlock. The document has not been executed by one of the parties. As a result, although the board is constituted, it remains impotent.

A further problem is that Jill believes the board will side with Jack for fear of reprisal, whereas Jack believes Jill is being paranoid. And so we have a situation of an immovable force coming up against a rock-solid mountain, and herein lies the value of mediation.

Mediation is a process of facilitating open dialogue between parties to a dispute where the dispute is grey and the parties are unable to agree on a way forward. The process is run according to an ethos of respect, due consideration and deference to the other's right to be heard.

A mediator is not present to proffer solutions or to side with either party. The mediator is rather the referee in an often heated debate. Such impartiality is kept by vigorously refusing to meet with either party alone, and refusing to be drawn into a discussion with either party on the merits of the dispute.

All parties must agree to mediation and be fully aware of the fact that the mediator will not permit grandstanding, soap-boxing or name-calling to occur.

The value of this course of action is that it allows issues to be canvassed in a civilised and much less expensive manner than litigation. Issues that were ill-defined become clear, and the emotions and years' worth of quarrelling between or among the parties take a back seat.

As a result, by the end of our two-hour session, Jack and Jill had agreed to sign the strategy document; and Jill had finally conceded to Jack that she ultimately wants to leave the company.

Two years' worth of acrimony leads me to believe it is unlikely that their relationship as friends or as business partners will ever reignite. Sadly, they have built a successful company together and both have bled for this.

However, assuming – without confirming – that the vision they had in the beginning was to build such a company and grow it, they have achieved their purpose, albeit at personal loss to their relationship.

Mediation in two hours allowed them to take a step forward – the same step they have been robustly refusing to take for two years.

Jill concedes that she lacks the skills set to be managing director of the company, and Jack has conceded that it took two of them to break this tango. The beginnings of an exit plan for Jill are being thought out, and finally the impasse seems to be lifting.

In conclusion, although I was interested in the concept of mediation, I am now utterly convinced that the commercial value of this tool cannot be overemphasised.

Many disputes can be likened to family disputes. Mom and Dad cannot agree on a course of action to follow with regard to little Johnny, and thus a power struggle develops – Johnny suffers. Let the power struggle go on long enough, and Johnny becomes a completely peripheral issue, while Mom and Dad viciously

canvass all the shortcomings they have ever felt about one another – and resentment builds. At this point, Johnny has lost faith in both parents and his development has stagnated.

This is so easily likened to a commercial conflict between partners, shareholders, directors and the like. The growth of a company is a fluid motion, and dissension within the ranks breaks the movement. Employees lose faith and often head for the hills to find dependable consistency. Shareholders, financiers etc. begin to doubt the stability of the company and commence planning their exit strategy; in the event of tedious and timely litigation, personal and corporate coffers are reduced to fund the dispute.

In the circumstances, I would propose that the next time you are faced with a client with a dispute of a commercial nature, think seriously about mediation as an alternative. It is less daunting and expensive than litigation, and may be more financially and emotionally valuable for all the parties concerned.

Trained mediators can be of invaluable assistance to commercial disputes, and may be able to broker a ceasefire that saves the commercial and personal relationship between the parties. **BBQ**

*Laura Haude
Robyn Hey and Associates*



Michelle Dommissie and Laura Haude
of Robyn Hey and Associates

Eureka!

Local inventor seeks partnerships to commercialise no-frills water heating system

While spotting expensive suits or beautifully designed political party regalia, statespeople often take to the podium, armed with theories for a better life for all – often tinged with utopian promises. Should prominent politicians, therefore, be the sole players in determining bread and butter issues? Private sector, non-governmental organisations or individuals, if meaningfully engaged in the mainstream economy, could provide an array of possibilities.

In pursuit of such goals, Capetonian Roger Matthews, a master plumber, retreated to his study for two years to devise a system that could help the poor, travellers or even the elite.

He has recently invented a gas heating system that generates unlimited hot water – requiring neither municipal pressure nor energy in the form of electricity.

“I have a Master Plumber’s qualification, Class 1 Ministry of Environmental and gas practitioner licences, so I am fully qualified to take on any multistorey job that requires hot water systems,” Matthews reveals.

Having studied and worked in Canada for 16 years has helped him acquire a wealth

of experience on how gas- and hot water systems work.

Back home in Cape Town, Matthews worked for various companies including Murray & Roberts, Peninsula Plumbing & Engineering Works, and Marsden Plumbers.

As a technically minded person, he was disillusioned by the lack of utilities in certain communities. Paramount among his concerns are poverty, lack of basic human rights and crime levels that rank highly in South Africa.

To arrest the trend, Matthews spent three months in the Khayelitsha and Philippi townships of Cape Town, experimenting with his invention. Residents there hailed it as a timely innovation.

His groundbreaking project, if unearthed, could challenge Eskom, as his invention provides an alternative system for heating water. With electricity prices ever soaring in South Africa, the poor – for whom this is invention is beneficial, featured prominently in his mind, given that generators as an alternative are costly and beyond reach of the underprivileged. The simple system has potential to ease energy hardships experienced by poorer folks in our townships and rural areas.

Matthews used a five-kilogramme gas cylinder, 12-volt battery, a tank and plumbing copper pipes in building a stand-alone system that is ideal for domestic use or by travellers.

This user-friendly technology can equally heat seawater in 35 seconds – proof that any form of water could be warmed up by his innovation.

With relevant authorities pledging support but not forthcoming, he is seeking partners to help fund the development of the system on a commercial basis, and roll it out throughout the country and beyond. He harbours ambitions of devising a similar system for industrial use.

In his State of the Nation Address, President Jacob Zuma lamented the lack of jobs, therefore it is incumbent upon intrepid entrepreneurs such as Roger Matthews to create employment opportunities.

He is urgently seeking a solid partnership with established companies such as Eskom, in order to embark on large-scale manufacturing of the stand-alone system, which could employ more people in the process.

Besides this advantage, Matthews’s system has potential to help rural communities who overwhelmingly use wood as a fuel source. Wood fuel is associated with socio-economic and environmental issues such as deforestation and indoor air pollution.

“This is my idea. It is strictly designed by me,” he brags.

Matthews, a hot water specialist, has overseen various hot water system installation projects completed at major establishments such as the Arabella Sheraton Hotel, Taj

Hotel, Waterkloof Wines and Cape Technikon Hotel School in Cape Town. This illustrates his pedigree in installing hot water systems, with potential to diversify into other systems.

The well-travelled designer has worked in Canada, Dubai and Mexico, which helped him save R50 000 that he invested into this project, but that money has now been gobbled up.

"I did not get any financial support from anywhere, but used personal savings," he reiterates. Unfortunately, this has since left him in a poorer financial state – a situation that incapacitates his dream of rolling out the invention on a massive scale.

Asked whether he had taken steps to protect his invention, Matthews was circumspect: "Patents are expensive; I do not have the money. If I am featured on television, maybe various stakeholders will acknowledge my efforts and come on board," he reckons.

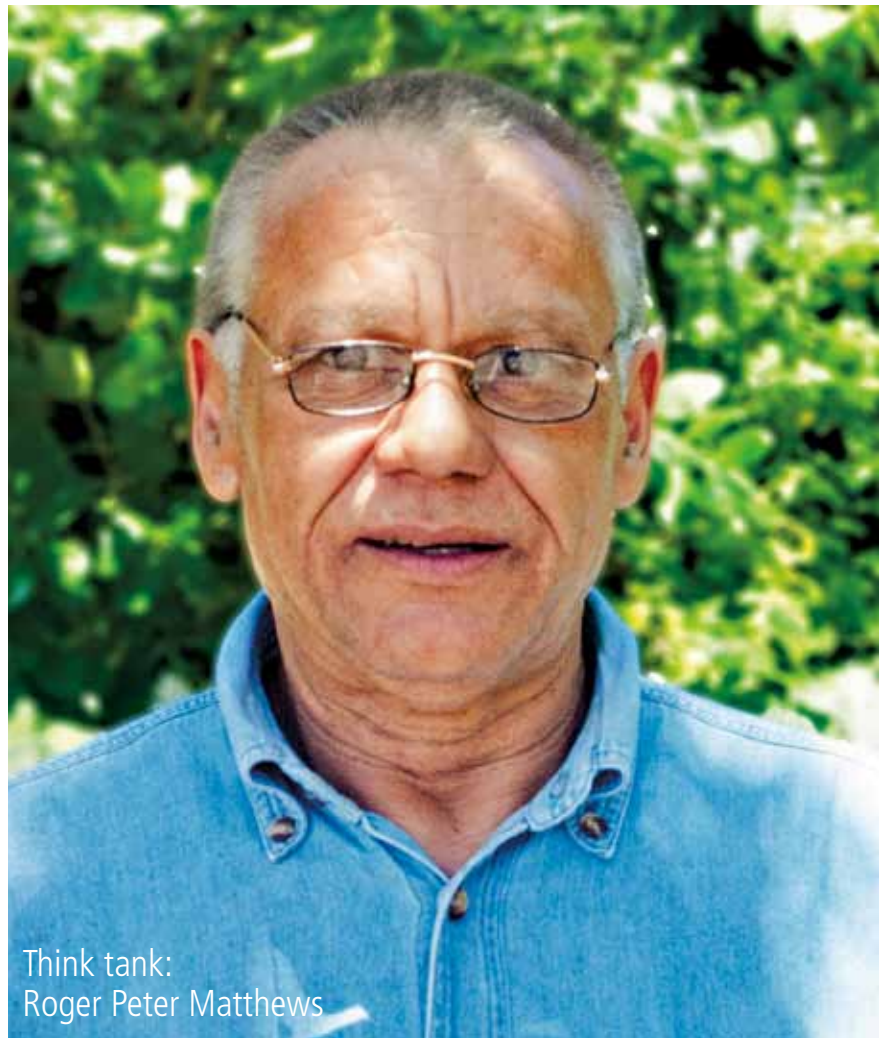
He remains steadfast about the simple techniques he used as a surety that no one would steal his idea. He is optimistic that, despite heavy odds, his water heating system will attract investors to give it international acclaim and establish a global footprint.

Hot water heating systems using municipal pressure and energy from Eskom take longer time to heat up. In comparison, Mathews's invention works faster. At a flick of a switch and within 35 seconds, hot water gushes out. The unique feature about this system is that the hot water runs out endlessly, hence the designer's reference to it as an "unlimited hot water system". This is in sharp contrast to traditional systems that intermittently run out of hot water.

Merging or getting help from well-established companies or government departments would boost production, with potential to increase manufacturing capacity – leading to creation of job opportunities.

Matthews has taken the initiative to invite various sectors of the economy such as the departments of Education and Trade & Industry, to assist in opening up a training facility and help with manufacturing respectively.

Though the current cost of the system is R13 000, he is of the view that once



Think tank:
Roger Peter Matthews

stakeholders embrace the invention, the law of demand and supply will kick in, which could lower its cost drastically to about R4 000. In addition, he has plans to lobby for electricity rebate from Eskom once his systems are fully operational.


Matthews, a South African national exiled in Canada for many years, has cast his net beyond our borders, looking at Zimbabwe, the Democratic Republic of Congo and Zambia as possible markets. A notable percentage of the population in those countries lives in rural areas, and his system could help heat their water easily – a luxury of which people in remote parts of Africa can only dream.

Marketing

"Marketing is one of my weak points. I plan to engage professionals in this regard," Matthews acknowledges.

Since most vulnerable communities are in areas where it is difficult to disseminate information, engaging marketing fundi's could help popularise his design to all segments of the economy.

Despite onerous challenges, Matthews is resolute about commercialising his invention globally.

For demonstrations, telephone him on 072 605 9191. 

Bernard Chiguvare

Capitalist Nigger

This book provides more questions than answers; inevitably, only a Nigerian could pluck up enough courage to pen it

This is not a new book (it was first published in 2000), but its teachings are quite novel – especially in the light of President Jacob Zuma’s call for black industrialists to emerge in South Africa.

In his hard-hitting way, Chika Onyeani has written a book that will potentially antagonise thin-skinned black people. The Nigerian-born author has broached a subject most black Africans (including those in the Diaspora) dare not discuss openly.

In candid fashion, Mr Onyeani decries the fact that black people are the only humans who consume what others produce, yet do not manufacture much on their own – his words, not mine.

At this juncture, I would like to declare that I am pitch black myself. I do not mean to denigrate my own tribe, but simply to relay Onyeani’s message.

He bases his book on personal experiences with the East Indian community in America, a group whose industriousness he extols glowingly.

His argument is simple: black people do not have a successful business culture because we do not patronise outlets run by fellow blacks.

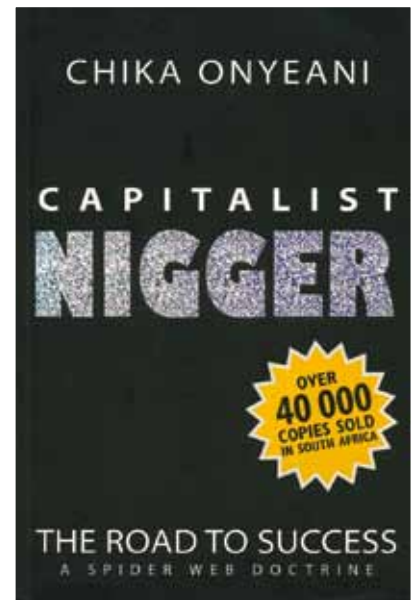
To remedy this, he advocates what he calls a “spider web doctrine”, which is alarmingly lacking among blacks wherever they may be in the world.

According to Onyeani, other communities (read races) are prosperous because they are adept scholars of the spider-web doctrine. As an example of the principle behind this doctrine, he observes that when a dollar enters the Indian community, it stays there and is never allowed to leave.

In simple terms: when you purchase groceries from an Indian shop owner, he in turn will only spend that money at another Indian-owned business – an Indian dentist, for instance. By buying goods and services from each other they ensure that their money remains in circulation within their own community. In this manner, they support and empower their own folk. In the end, their whole community prospers.

In contrast, black people habitually frown upon businesses run by their own kind, and would rather be seen in establishments belonging to other races. In effect, we take our hard-earned money to enrich other races, when we could be ploughing it back into black-run businesses.

You do not necessarily have to agree with what Onyeani says, but he is stating the obvious and making us all feel guilty.



Another interesting chapter of the book is concerned with sports and music, two pursuits at which black people apparently excel. To his dismay, Onyeani points out that despite this dominance, black people still do not own the record companies that produce their music, nor the distribution channels and retail outlets that sell them. In sports, the same applies: basketball coaches are mostly white and so are the club owners; the list goes on.

His question is simple: why do black people not control the means of production in fields they excel at?

No doubt, Onyeani questions our intelligence as a people because (as he sees it) we depend on other races for our own survival. Some of you will find this book as insulting as it is truthful. It is not something you read before your dinner, as it has the potential to spoil your appetite. But it is something easy to read during a sport-free, relaxed weekend in the holiday season.

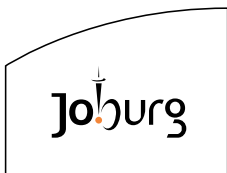
Capitalist Nigger is republished in South Africa by Jonathan Ball Publishers and is available at Exclusive Books. It retails for R154. **BBQ**

David Mwanambuyu



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Johannesburg Market in green revolution

Joburg Market to increase participation by black farmers into the formal economy

Our current era is characterised by global food shortages and growing demand. This means the importance of rural farmers in the production of food and their integration into the formal economy cannot be overemphasised.

Explaining this phenomenon, the acting Joburg Market CEO, Ms Patronella Telela says, "We are [currently] seeing the fastest growing population of consumers that is pushing up consumption capacity and leading to an increase in the price of food. High food prices pose a serious threat to global and social stability. We believe food security will become an even more pressing challenge across the globe, especially as a result of the increasing level of urbanisation and a global surge in the popularity of healthy food." Telela continues that they regard this growing global demand for food as presenting a compelling reason for investing in the agricultural sector"

Over the years, the Joburg Market has built a good relationship with farmers across the country. However, the challenge faced by the Market is that while it commands a 42 percent market share of fresh produce traded in national fresh produce markets (private sector-owned markets excluded) the contribution by emerging black producer sector is less than 3%.

Joburg Market's observations reveal that most communities in South Africa who have

benefited from the government's land agrarian reform remain poor and unemployed. Of the few active farmers, many are faced with major constraints and are not able to access more lucrative local and export markets. Thus, the farmers are typically restricted to selling their products in their local area where low demand and high competition leads to low prices.

Other challenges faced by rural black farmers include, but are not limited to, a lack of packhouse infrastructure and facilities, lack of quality control – sorting, grading and packaging, lack of packaging materials, lack of market awareness and information, a lack of marketing and transport facilities and an unclear understanding of price determination from fresh produce markets.

To address these anomalies, the Joburg Market has adopted a strategy, aptly titled

"Emerging Farmer Assistance Programme", aimed at ensuring faster access for rural farmers to bigger markets.

The company is currently co-ordinating efforts with emerging producers, particularly those from Limpopo (the country's foremost production hub), to ensure that the collective capacity of productive land is optimally utilised to meet the food requirements of Johannesburg (the country's foremost consumption hub).

According to Telela, there's a need to assist emerging black rural farmers to become prosperous in their endeavour to grow. She regards providing access to formal markets as a fundamental necessity for rural farmers to be commercially viable. Hence her company's programme to invest resources in providing packaging materials for organised



*Joburg Market acting CEO,
Ms Patronella Telela*



rural farmers so that they are able to access formal markets.

Teleda explains that packaging and its design play a key role in influencing the purchasing decision of produce. The Joburg Market has noted this and is extending a helping hand to emerging farmers by developing branding and packaging materials for them to use and more easily market their produce.

Explaining the benefits of the programme, Teleda says supplying rural farmers with packaging (up-front and recovering the cost later when produce is sold) will help fast-track market access whilst also improving product presentation that will enhance the chances of the produce being sold.

Helping farmers understand the key principles of fresh produce markets also forms part of the programme. To this end, the Joburg Market conducts field visits as well as attending rural farmer information days. Guided tours of the Joburg Market facilities are also conducted to help rural farmers gain a better understanding of the commission business and the importance of ensuring food safety, product presentation and product quality.

Teleda further explains that the plan also involves sharing skills and expertise in the establishment of fresh produce collation points in conjunction with local municipalities in rural production areas to bolster agriculture's contribution to the GDP of the country and further diversify the economies of the rural communities.

Recently, the Joburg Market partnered with the Vhembe District Municipality in Limpopo to develop a fresh produce facility that will serve as a packing house and grading point for produce.

"We chose Vhembe region as it has got a competitive farming edge and the highest concentration of emerging farmers whose development is hampered by lack of access to consumer markets", says Teleda.

The Joburg Market's support and involvement in the Vhembe Collation Facility is part of its backward integration strategy.

Explaining what this means, Teleda says "As a market you should not concentrate solely on



selling. You need to go back to the farmers – black emerging farmers – guiding them and helping them in terms of the most effective way of producing and cultivating their crops to ultimately access consumer markets.

"We have established a pilot project which does just that. Working with farmers in Venda, we have provided what we call a packhouse, or fresh produce collation point; an infrastructure shared by the farming community in that area. The farmers in the region bring their produce to the packhouse to be sorted, graded, quality-inspected and packaged before it comes to the Joburg Market where it can be sold on their behalf".

The pilot project to supply rural farmers with packaging materials will commence in December 2011 for Limpopo farmers. Accordingly, a brand aptly named "Limpopo Fresh" has been developed for use by farmers producing a range of commodities including bananas, tomatoes, beans and mangoes. The packaging materials will carry a Joburg Market brand that will act as stamp of approval and to add credibility of the produce.

Asked to explain the rationale for piloting the project in Limpopo, Teleda said, "It is a model we want to re-produce in other parts of the country. We chose Limpopo because the province has a high concentration of black farmers that benefited from the government's agrarian reform programme.

"We will look at its [the pilot programme's] rights and wrongs before taking it to other provinces," she said, adding that the Joburg Market had made available two trucks that did not charge the farmers a commercial price.

Already, the Joburg Market has been approached by local authorities from

KwaZulu Natal and the Eastern Cape who are keen to have the model rolled out in their provinces to give struggling black farmers market access.

Giving an insight into her philosophies and thoughts on the future of South Africa with regard to the agribusiness value chain, Teleda says she is bullish about the future and is introducing several programmes that will revolutionise the way we do business.

"The benefits for our programmes will not only accrue to rural farmers but South African society at large in that it will lead to the productive use of land and improved food security. It will also help in the migration of emerging farmers into commercial farmers whilst also providing economic self-sufficiency for rural farmers. All these will have positive effect on job creation and poverty eradication," she said.

Established and situated at City Deep in 1974, the Joburg Market has claimed its stake as a trusted and well-respected platform for selling fresh produce in Southern Africa. The Joburg Market is the largest of its kind in the country, and in all of Africa with a turnover exceeding R3.7 billion per annum. It is wholly owned by the City of Johannesburg Municipality and is a commission market where producers deliver their produce to market agents who then sell the produce to buyers. Over 5 000 farmers make use of this distribution channel.

The company sees over 10 000 buyers at any given time. The large buyer base, which comprises of retailers, wholesalers, exporters, processors, informal traders and those buying for household consumption, make this market the ideal venue for the trade in fresh produce.

Microsoft mentors black ICT firms

Microsoft SA's R475 million will help six black-owned software firms expand beyond our borders

Earlier in 2011, Microsoft South Africa announced a R475-million broad-based black economic empowerment (BBBEE) equity equivalence programme, aimed at growing software development companies into global companies over a seven-year period. The programme was officially launched in March 2011, when Microsoft announced four beneficiaries of the programme. In November 2011, two more companies were added: iSolv Technologies and Mmapro IT Solutions, bringing the current number of beneficiaries to six.

Designed in line with government priorities, the programme's focus is to assist companies providing information technology (IT) within safety and security, healthcare, and education among key government priority areas for IT.

Both companies specialise in creating security products for government and private enterprise. iSolv specialises in the field of public key infrastructure, encryption and secure communication, and Mmapro provides innovative real-time mobile information and communication technology (ICT) solutions for public safety.

The initial four companies – Chillisoft, Maxxor, BUI and Home Grown Business Integrations – which provide diverse IT support services and products, spent six months doing intensive analysis of their business, and restructuring themselves to gear up for planned expansion.

Speaking at the launch of the expanded programme at Microsoft's head office in Johannesburg, Siphso Zikode, deputy director-general of the Department of Trade and Industry (the dti), said: "This programme has the potential to boost transformation within the South African ICT sector – and it seems we are well on track to driving our shared vision of creating a strong homegrown South African software industry."

Mteto Nyati, managing director of Microsoft South Africa, echoed this sentiment. "Most BBBEE deals in South Africa are focused toward ownership and shares, and yet people who own these shares more often share nothing with the world.

"We made the decision to take a different approach to this BBBEE deal, to ensure the world around us benefits; and with the current challenges of unemployment the country faces, more companies need to look at how these deals can be restructured to benefit

broader society, and not merely individuals," he stressed.

Nyati explained that criteria for selection were based, first and foremost, on companies being black-owned and within the IT or software development space, with a product offering that complements government priorities.

He added: "We were also looking for companies with less than 25 employees and a turnover of less than R10 million per annum.

"Our approach to technology is that it should always be innovative and set one apart from the rest, and we were looking for companies with unique products that can be expanded and diversified for an international market.

"One of South Africa's biggest challenges is youth unemployment, and we had to look at how we could contribute toward tackling the challenge; and in most cases, the role of small businesses in addressing issues of unemployment is often overlooked, yet these are the companies that can make the most impact in creating jobs and opportunities for unemployed youth," noted Nyati.

"When most of the bigger companies become more efficient, they reduce staff; while smaller companies are always creating jobs, and that is why there is a need to help

sustain these small firms to help address current unemployment challenges.”

South Africa is home to more than 3.1 million unemployed young people aged between 20 and 29; and while small, medium and micro enterprises (SMMEs) in countries such as Brazil and Spain, among others, contribute about 80% toward gross domestic product and employment creation, South African SMMEs account for only about 45%.

“Small businesses require the support of larger companies; and for the country to realise true empowerment, there’s an urgent need to support more black-owned businesses,” said Nyati.

“It is one thing to have a product, but it’s important to sell these assets. In some instances, it may not be financial assistance that small businesses require, but networking opportunities to enable them to establish a client base that helps grow their businesses.”

Microsoft has a footprint in 120 countries, and part of this programme will allow these small businesses to benefit from networking with some of Microsoft’s clients wherever the multinational has a presence.

Nyati noted that the South African IT sector has the potential to grow, and Microsoft’s primary objective is to develop intellectual property (IP) in South Africa for export purposes. According to him, South Africa has the skills and brilliant people who constantly devise innovative products ideal for export.

Most of these small IT companies have potential to grow, however, they do not have the right support, governance policies and structures in place, added Nyati. Local trainers have been employed to help these companies improve governance structures, to guide and train them on improving governance in the local market to prepare for expansion.

The investment in the first four companies entailed assisting the companies in developing skills, and helping them recruit and hire top black talent and improve infrastructure, both IT and non-IT. Some have undertaken significant restructuring of their business to focus on the right elements within their company, and be in a position to take new products to market.

Microsoft will immediately start working with the two new partners, to establish their specific needs and to align their businesses to

high-growth areas in South Africa and other emerging markets such as healthcare, education, security, software as well as services and mobility; and business areas with the greatest chance of success.

“Our commitment to the dti is that we will help these companies grow to create employment and opportunities for unemployed and skilled young people. After seven years, we will review the success of the programme and measure performance based on expansion, employment creation and product diversity, among other factors. If, by then, these companies would not have expanded across South Africa’s borders and not contributed toward job creation, we will have to be answerable,” said Nyati.

“Through appropriate funding, technical, operational and sales support, bigger businesses can play a role toward helping small business realise their potential to grow into companies that can contribute toward job creation. We believe these companies will help South Africa grow its IP beyond South African borders and grow this economy.” **BBQ**

Ntokozo Ndlovu



Left to right: Jayesh Nana, CEO: iSolv Technologies; Mteto Nyati, managing director: Microsoft (SA); Mmabatho Nyaredi, MD: Mmapro IT Solutions; and Mvuzo Mtyhobile, director: BEE Transactions at the Department of Trade and Industry



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A woman with her back to the camera, wearing a bright red dress and a braided ponytail, is walking through an airport terminal. The terminal is filled with rows of empty black seats, and the background is slightly blurred, showing other people and the structure of the terminal.

Tourism jobs a panacea

Invest in tourism SMMEs
to solve unemployment

With 25% of South Africa's workforce and over 50% of our youths between 15 and 25 years of age out of a job, the beloved Rainbow Nation is in dire need of employment opportunities. The key to solving this problem of mammoth proportions is stimulating entrepreneurship and investing in small, medium and micro enterprises (SMMEs) – particularly those operating in the tourism sector, experts claim.

Over the past decade or so, the South African tourism industry has grown from strength to strength, and has become one of our country's major economic engines.

To give an indication: while 2008 drew 9 699 365 international holidaymakers, 2009 accounted for 9 933 966 foreign arrivals – an increase of 3.6%. These figures show a 120% growth since 1994, when our nation welcomed just less than 3.9 million international holidaymakers.

Statistics from the Department of Environmental Affairs and Tourism (DEAT) further indicate that South Africa's leisure and travel industry in 2009 accounted for 7.4% of our national gross domestic product – an increase of 2.7% compared to 2008.

In that sense, and in that particular year, tourism was more important than the mining industry combined with agriculture – which, in 2009, jointly contributed 7% to GDP.

The figures above are solid proof that South Africa has a robust tourism industry.

It is worth noting that 2009 was the year the world found itself in the middle of one of the worst financial crises in recent history. The downturn, which is far from over, seemingly did not deter visitors from Europe and the United States from visiting South Africa.

Last year was yet another bumper tourism year. In the first nine months of 2010, more than six million foreign holidaymakers set foot on South African soil – an increase of 17.1% compared to the same period the year before. The 2010 Fifa Soccer World Cup undoubtedly played a significant role in this growth.

Apart from being a major income generator, the tourism industry is a crucial job creator. According to Statistics South Africa, tourism in 2010 accounted for 4.3% of South Africa's employment. In other words, if it were not for this particular sector, more than 528 000 people would have been without a job in 2010.

This is huge. With one in four South Africans being unemployed and looking for work, and another big chunk of the population without jobs not looking for employment, joblessness is one of our country's biggest headaches.

Unemployment, no matter how you look at it, allows poverty to roam free and leads

everything possible to promote and grow the tourism sector so that we can achieve these developmental goals," President Jacob Zuma said in March 2011, shortly after signing the Global Leaders For Tourism Campaign.

Experts claim that in order to grow the number of tourism jobs, one should look at ways to grow and further develop the SMMES that operate in this field.

"To create the thousands of tourism jobs (President) Zuma spoke about, more needs to be done to assist SMMEs who want to expand their footprint," says Salifou Sidde, chief executive officer at the Tourism Enterprise Partnership (TEP).

"Between now and 2020, we want to create 225 000 jobs in this sector"

to all sorts of social instability. This puts immense pressure on national coffers: over 80% of South Africans depend on public- and state-sponsored healthcare because they cannot afford insurance. Our nation's heavy disease burden does not help the situation. In addition, millions of South Africans depend on state grants, public education, and other state-sponsored safety nets.

The aforementioned would not have been a problem if there were enough taxpayers. Unfortunately, out of a population of 50 million, just under six million pay their taxes. In essence, having just below one-tenth of South Africans supporting the rest is unsustainable.

That is why jobs, hundreds of thousands of them, are needed desperately. The government is very well aware of this. In an attempt to tackle the situation, authorities have committed to creating 10 million jobs in the years to come. Tourism has been singled out as one of the core focus areas.

"Between now and 2020, we want to create 225 000 jobs in this sector. We will do

"If SMMEs are given the opportunity to grow and develop, they will – at some stage – find themselves in a position to hire more people.

"That – the job creation potential – is one of the big differences between small and large companies," he points out. "Big players are already where they want to be and are unlikely to grow the number of new job opportunities much. Smaller enterprises often want to grow; and if they are allowed to do so, they will at some point or another increase the number of employees."

The TEP is a public-private small business development initiative founded in 2000 by the Business Trust, the DEAT and Corporate South Africa.

Between 2000 and 2011, the TEP – using public and private funds – invested R450m in more than 4 000 tourism SMMEs across South Africa. These ranged from bed & breakfast establishments and manufacturers of souvenirs, to tour agencies and travel organisations.

With job creation in mind, the initiative aims to improve the candidates' marketing strategies, their access to different markets, and to spruce up their product and service skills while enabling them to make their business operations economically sustainable.

"The recipients we helped over the past 10 years made way for 64 000 new permanent and full-time jobs, and jointly generated R5 billion in revenues," Siddo says, noting that the TEP is not investing in tourism SMMEs in the classic sense. "Our aim is not to make profit. We help tourism SMMEs, for instance,

decided to get into trade shows. Unfortunately, we could not afford the stand fees, which can be as high as R16 000. We approached the TEP, which gave us financial assistance to exhibit at large trade fairs."

This support eventually led to greater exposure, allowing Tompkins and his wife to hire staff members.


"We expect to grow further, as we are about to open an art gallery. We have a retail outlet in the Midlands, too. While growing, we hope to hire more people," he says. "We, however, want to take it slow. The higher you aim, the

To be BBBEE-compliant, companies that operate in South Africa must allocate 3% of all net profit after tax to enterprise development. "They can now do so via our EDP initiative, which is verified by South Africa's leading economic empowerment rating agency, Empowerdex. It is a win-win situation," says Siddo.

He adds that BBBEE compliance is merely one of the many benefits of investing in the TEP. "You as an entrepreneur get to participate in the story of job creation in South Africa, and make this country a better place," he notes. "Creating jobs in tourism will lead to a growth of this particular sector. This, in the end, will also benefit those companies who are investing in SMMEs."

Rennies Travel is one of the businesses that have invested in the TEP in return for enterprise development points. The travel agency invested R300 000.

"Our involvement with TEP is driven by our objective to contribute positively to the involvement of the travel and tourism industry in initiatives that will achieve real transformation," the company stated in a press release.

"By partnering with TEP, we are facilitating the advancement of entrepreneurial skill that is so critical to the alleviation of unemployment in the country. We believe that upcoming small enterprises will be the foundation for future growth of the travel and tourism industry in South Africa." 

Miriam Mannak

Tourism facts

- Between 2003 and 2009, 63 million tourists came to South Africa (DEAT);
- Business travellers, including conference goers, contributed R2.3 billion to South Africa's total tourism revenue (DEAT);
- 40% of business travellers returned to South Africa within five years (DEAT);
- South Africa ranks 32nd globally for business tourism (Southern African Association for the Conference Industry);
- The average tourist spends R9 900 while in South Africa (DEAT);
- One job is created for every 12 foreign arrivals in South Africa (DEAT).

"The corporate world needs to come on board, too, for they have the resources"

to improve their marketing strategies, how to gain access to the market, and with hospitality training."

When it comes to the question of who is responsible for helping tourism SMMEs grow so they can hire more staff members, he says that this needs to be a common goal of the government and the private sector: "The corporate world needs to come on board, too, for they have the resources."

Case study

One of the thousands of businesses that have benefited from TEP support is Zulu-lulu Trading. Situated in the heart of the KwaZulu-Natal Midlands, the people at Zulu-lulu make quirky handmade ceramic products including figurines, vases and tableware. The company currently employs around 10 people, who all have permanent, full-time jobs.

"We started in 2006 with no staff, as my wife and I did everything ourselves," recalls Stuart Tompkins, husband of Zulu-lulu founder and owner, Tracy Tompkins.

"We at some point wanted to grow. To reach that goal and to get more exposure, we

harder you fall when things go wrong. We do not want to end up having to fire people."

Siddo stresses that the issue of unemployment in South Africa, and the necessity to find solutions, has to be taken seriously by everyone. "If we do not address this challenge, we are headed for a road to nowhere.

"If we do not work together in fighting joblessness, we will not achieve the ideal of a democratic, equal society we once fought for."

Tompkins agrees with Siddo. Like many South Africans, he is very much aware of the unemployment issue that faces this country. "Stimulating entrepreneurship in general and enabling small companies to grow so they can hire more staff is crucial in order to solve this problem," he says.

To incentivise big corporations to invest in the TEP, thus in tourism SMMEs, the initiative earlier this year came up with a brand new initiative: the Enterprise Development Portfolio (EDP).

"In return for investing into the TEP, big companies qualify for enterprise development points for their BBBEE scorecard," Siddo explains.

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The IZINGIZENDODA IT range of Access Control and Security Management systems, provides powerful integrated solutions for organisations requiring automated security. Solutions are available for organisations of any size - from small offices requiring a simple Access Control System with just a few card readers, to large companies spread over multiple sites and countries wanting Access Control plus other integration and Security Management features.

With over 1000 Access Control systems already installed worldwide, we believe we have the largest user base in the industry. We have over five years of experience in developing state-of-the-art Access Control hardware and software systems to secure everything from your local store, to some of the highest security establishments in the world. Put simply, we believe we have the best Access Control and Security Management systems on the market.

We've got solutions for any requirement. If you want a budget Access Control system to control access through just a few doors, that is fine - we've got the product to do it. If you need a scalable system that can grow as your company grows, then that is no problem either - our systems can expand to handle an unlimited number of employees spread over hundreds of sites.

Our enviable position of having complete control over the design and manufacture of both the key hardware and software systems, enables us to include features that may otherwise be impossible to implement, and to react quickly to customers' requirements.

What else helps us stand out from the crowd? It is not just our products, depth of experience, size and flexibility, but the level of service and quality. Our customers often tell us that it is second to none. But that is how it should be. Why should you expect anything less?

And, what about some buzz words like "open architecture"? Yes, we've got it. Our approach to system design is choice. We provide all the options you may need, and integrate with the latest innovations on the market. IZINGIZENDODA IT is at the leading edge of all security management technologies.

So, what about the future? Where are we going? One thing is certain; we're not about to slow down. We're continuing to develop new products to encompass the latest technologies and interfaces. We're ahead of the pack, and that's where we intend to stay.

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- Smart Cards & Biometrics
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- Intrusion
- Threat Level Manager
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- XML Open Integration Module

For more information, contact us on 039 834 1153
or email mancinzaiyike@yahoo.com



Power to the people

Izingizendoda IT brings the latest solar power and other road and safety technologies to South Africans

When Mondli Lukhozi was working as a programmer in Johannesburg, his job dissatisfaction led him to break out and start his own business. In considering what it was that he could do, he asked himself what people most need. His IT background and his rural roots became the impetus to look at how technology could help those that didn't have access to the modern conveniences of the city and to make those of the city, better.

In rural areas, the lack of infrastructure is one of the biggest problems to the people living there. It affects them on a level that is as basic as being able to get drinking water to having heat and light. In 2007, Mondli Lukhozi saw a gap in the market that could help improve lives and so Izingizendoda IT was born.

But Izingizendoda IT is not limited to the rural sphere, their devotion to new technological advances and use of solar power makes their products energy efficient and useful within any community.

It is a company which is a highly innovative science and technology enterprise engaged in making highway maintenance materials, road maintenance mechanical equipment and researching maintenance of new technology as well as supplying and implementing solar-powered systems that range in usage from lighting and heating to pumping water.

In addition, they consult, install and provide customer support for all their products.

"When I started out, I noticed two things: One, that people in rural areas didn't have any water and two that there was no mobile traffic lights in South Africa." Access to water and people's safety are two things that I hold very dear and in this way I wanted to help them."

Izingizendoda IT has the technology to implement solar powered heating and the pumping of water to rural villages. This way electrical infrastructure is not necessary before people can rely on having access to a life-sustaining source such as water.

"If traffic lights go out and the traffic officer has to direct the traffic and someone injures him or knocks him down because they are confused about the new driving conditions, that is a man who has a family and his being in danger affects them. Something like a mobile traffic light system can change that. Once the system is set up, it regulates the traffic and the traffic officer does not need to be in the middle of the road where it is unsafe. It is an instance where technology is a simple solution to so many people's safety: the traffic officer's and the motorists themselves."

Based on constantly introducing foreign advanced products, research and development more in line with South African's road conditions create high-quality, economical and practical new conservation materials and equipment so that the company specialises in supplying a variety of highly engineered products for commercial, industrial and consumer markets worldwide.

But having the technology does not mean that the business is without its challenges.

Lukhozi explains that the biggest challenge at the moment is that people at municipalities don't understand what a solar water heating system is. They don't know about the power and they don't know what Izingizendoda IT's products can do for them.

"They don't understand this product because it's new. There is a lot of work that we need to do now to introduce this system. When you go to the municipality, doing your presentation, they often don't see or they don't believe that you can put something underground and pump the water with sun power. To them it's like, when you are talking about the solar water heating system, someone might say to you that at night the water will be cold and that means that you have to pump it while the sun is still up. But that is not the case, it can rain for days and days on end, but you're still able to bath with the hot water. That is our product," Lukhozi says.

"So we have to show people how the product works," he continues. "That is why we run demonstrations for them. We run pilot projects by way of demonstrations and we do it for free. Sometimes a municipality will pay for the service, but because we want them to understand and see our technology in action. To tell a person about something that they don't understand is very hard but we try all the time to give demonstrations to show them what our technology is able to do for them. Similarly when we are marketing the safety features of the LED street lights that we sell or we need to bring the street lights – the product speaks best for itself."

Based on their search for technological excellence, Izingizendoda sends its technicians to China to get proper training for installing and caring for the solar equipment that they use. "Training is so important," Lukhozi acknowledges, "not only is the product that we provide expensive and the correct training for the installation process prevents huge losses to the company, but it also allows us to further our technological advances and provide the best consultation and after-sales care for our clients."

This is what sets Izingizendoda IT apart from other companies: not are they the only black-owned company in their field, but they are also the importers of the latest technology. They make it their business to be on the forefront of where this technology can help to build the country.

The company employs 11 different artisans. At the moment they also employ 15 semi-skilled artisans and then 7 general labourers.

Izingizendoda IT is also conscious about how the products that they currently import could provide jobs for in South Africa if they were to manufacture the products in the country themselves. Lukhozi says, "We've got a product of patching potholes that is very good. It's called Perma-Patch. This product is from America but in seven years time we plan to manufacture the product because we want our youth to benefit from this technology too.

"What we're going to do is we're going to select youths here in KZN and we're going to select two people in Eastern Cape and two people all the provinces and put them together and they will run the company that will be producing the Perma-Patch.

"We are busy now negotiating with the Americans to get a production licence. China has tested it for us they're going to give us the result and then we're going to manufacture it here in South Africa."

They are a technological enterprise which sets to development of new maintenance skill, production and sales and service in one. They hold the creed "Act in good faith, and succeed through credibility" and our mission statement is "practical, innovative, strict, scientific". Based on advanced test equipment and high-level researchers, and this company

also energetically cooperate with Southeast University, Chang'an University, and other traffic universities.

Based on constantly introducing technologically advanced products from abroad, research and development that is more specifically in line with South Africa's road conditions create high-quality, economical and practical new conservation materials and equipment, the company specialises in supplying a variety of highly engineered products for commercial, industrial and consumer markets worldwide.

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Mondli Mancinzayiyeye Lukhozi, managing director

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For more detailed product information, visit www.izingizendoda.com.

Tips in etiquette and personal branding

Networking experts share wisdom with young professionals at the Accelerate Cape Town Inspiration Session

A group of 200 young professionals, ranging from young executives and officials to entrepreneurs, were given some invaluable networking tips by former Miss South Africa and television presenter, Jo-Ann Strauss; motivational speaker Timothy Maurice Webster; and Accelerate Cape Town chief executive officer, Guy Lundy.

The group gathered on 1 December 2011 at the Radisson Blu Hotel Waterfront in Granger Bay, Cape Town to celebrate the second anniversary of the popular Inspiration Sessions networking series.

Business think tank, Accelerate Cape Town, launched this initiative two years ago, in response to feedback from young professionals who felt that Cape Town seemed unfriendly and racist – particularly in business – and in response to the brain drain that resulted from this perception. Accelerate Cape Town's 40-plus member companies decided to get involved to provide a constructive solution to this problem.

The chatty and informative sessions were subsequently created to promote and support business networking, to be hosted in some of the glamorous locations for which Cape Town is famous. The guest list has grown from 40 to more than 1 000 young professionals, representing 350 companies.

"Being able to connect professional peers is an important factor for any city that wants to play in the global space," said Lundy.

Strauss shared a personal account of her life, from growing up in Blackheath and studying BCom Law at Stellenbosch University, to becoming Miss South Africa at 19; her 11-year career as a model, speaker and television presenter; and now running her own venture capital company and charitable projects.

She said success could be achieved through positive personal branding and hard work, no matter your background. Being "previously disadvantaged" never held her back.

Strauss offered practical tips for creating a positive personal brand: be groomed, speak as well as you can, work hard, be conscious of whom you surround yourself with, and earn the respect of others through your conduct.

Asked by a member of the audience how black professionals could be encouraged not to fight over the same small piece of cake in Cape Town, she responded: "If the cake is only a certain size, bake your own cake! Not everyone is going to make you a partner, but you can be partner in your own company and you can have any flavour cake you like."

Webster, a well-known leadership commentator, said each person had a brand menu they presented to the world, from which others could take social nutrition. People would only "eat" from your menu if the right quality were on offer.



Guy Lundy, Jo-Ann Strauss and Timothy Maurice Webster making an entrance at the Radisson

IDC – a new path to development

Since 1940, the Industrial Development Corporation, South Africa's largest development finance institution, has helped to build the industrial capacity that fuels the country's economic growth, by funding viable businesses.

As the government's key partner in revitalising the economy, the IDC focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.

Our vision

To be the primary driving force of commercially sustainable industrial development and innovation to the benefit of South Africa and the rest of the African continent.

Our mission

The Industrial Development Corporation is a national development institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles.

What we do

Through partnership, the IDC provides funding in support of industrial capacity development by:

- Proactively identifying and funding high-impact projects
- Leading the creation of viable new industries
- Using our diverse industry expertise to drive growth in priority sectors
- Taking up higher-risk funding in early-stage and high-impact projects

What we offer you

The IDC assists start-up and existing businesses with a minimum funding requirement of R1 million and a maximum of R1 billion. Funding is offered across its mandated sectors under the following Strategic Business Units:

- Agro-Industries
- Chemicals and Allied Industries
- Forestry and Wood Products
- Green Industries
- Healthcare
- Information and Communication Technology
- Media and Motion Pictures
- Metal, Transport and Machinery Products
- Mining and Minerals Beneficiation
- Strategic High Impact Projects and Logistics
- Textiles and Clothing
- Tourism
- Venture Capital

Special **funding schemes** are available that address transformation and entrepreneurial development (TES); topping up equity contributions from entrepreneurs (TES & RCF); and sector-specific schemes (horticulture, forestry, clothing and textiles, hospitals). The IDC Gro-e-Scheme provides funding for projects from R1 million to R1 billion at prime less 3% for up to five years.

The IDC's business support programme addresses non-financial support to entrepreneurs. Assistance is provided with capacity building to improve project viability.

If you have a project that can contribute to building South Africa's industrial capacity and creating jobs, visit www.idc.co.za to find out how the IDC can help build your opportunity.

“Share your highest values with others, then you will be able to share in each other’s values,” he said.

Lundy offered the following practical networking tips:

- Connect with people outside your own industry to make useful business contacts;
- If you attend a session such as Inspiration Sessions, always have business cards;
- When you collect a business card, write on the back where you met that person and what you spoke about – it will be useful one day when searching thousands of business cards;
- Follow up on your introduction at a networking event, try to meet as many people as you can, and do not get stuck talking to only one person;
- If you are alone, look for a person you know who is surrounded by people because they can facilitate introductions;
- Never dismiss someone because you do not see his/her value;
- Remember names;
- When introducing yourself, say your name and what you do – it immediately makes you more interesting to the other person;
- If you are standing in a group, give input even if you are simply asking a question;
- Always dress appropriately for such occasions, and rather overdress than underdress;
- Beware of social media and the impact photos of personal indiscretions can have on your professional reputation – people often Google you before meeting;
- All three speakers at this function have personal websites that help build their personal brand; and
- Lastly, always be yourself – people will notice if you are insincere or dishonest.

Lele Mehlomakulu, head of human resources at Allan Gray – which has been the principle sponsor of the Accelerate Cape Town Inspiration Sessions since inception – said: “I am always excited about the possibilities Cape Town can offer. This city needs to be relevant in the future and bring in talent, and has had to address the fact that black professionals have not been fond of Cape Town. But I think

that is changing and people are now staying. We are promoting and creating opportunities in the Mother City.”

Mendel Sass, representing co-sponsor Bowman Gilfillan Attorneys, said his firm strived to encourage talented young people to work in Cape Town.

He encouraged the local business community to work together to build a competitive job market, so that Cape Town could become

a more attractive city to live and work in for talented professionals.

The session ended on a high note with a lucky draw, with one guest winning a night’s stay at the Radisson, and two others walked away with signed copies of Webster’s book.

The next Inspiration Session takes place in February 2012. **BBO**

www.acceleratecapetown.co.za



Lynn Benjamin from Vodacom, and Lungelo Matiwane from the Michael James Organisation



Mendel Sass (Bowman Gilfillan), Tinyiko Ribisi and Napo Ramodibedi (both from Norton Rose)

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Back to the future

Publisher Royston Lamond takes us back to the days when the idea for this magazine was conceptualised and finally conceived

In your hands is the 50th edition of *Black Business Quarterly* (BBQ) and, like a cricketer holds up his bat to acknowledge the applause of the crowd and the broadcaster gives sterling commentary on his achievement, so editor David Mwanambuyu has asked me to salute the readers and give a review of how this magazine came into being.

Magazine publishing is an interesting thing. It is part flamboyant showmanship, part concerned journalism, part business acumen, part accountancy, part marketing, very much an art and science wrapped up in glossy paper and, most importantly, a bridge, a conduit, between a selected audience on one side and the writers, designers and advertisers on the other – connecting and imparting knowledge and ideas.

How did *BBQ* come to be? Why is “this”, “thus”? It started with the dawn of democracy.

I was there when Nelson Mandela and Archbishop Desmond Tutu walked onto the small balcony at the front of the Cape Town

City Hall and addressed the Rainbow Nation sprawled before them across the Grand Parade. It was a great and euphoric time to be South African.

It was also a turbulent time: born of hope, new beginnings and new opportunities. The first democratic elections, the win of the Rugby World Cup (RWC), the win at the African Cup of Nations, the win at the World Cup of Golf, the peaceful transition – the custodians of the moral high ground on human rights and dignity that made us the admired people of the world. We were proud to be us.

In the midst of those halcyon days, I began publishing for the pure fun of it, and the fun of making money. But publishing books, although champagne popping when you hit on a best seller such as the RWC, is fraught with the danger of gambling on poor sellers and ending up with a warehouse of returns.

On a flight to Windhoek, a chance meeting at the airport connected a kindred spirit who enthused at the idea of publishing – not books, but magazines. And with wildfire enthusiasm, a company that is now Cape Media Corporation was started in a room and a home garage with one telephone, two fiercely energetic partners

and an innocence that set goals with a motto: “Whatever it takes.”

The first publication, a technical journal that spoke to a niche market of truck professionals, was a success; so we produced another annual, a shipping journal.

Now we were keen to up the tempo and create a broader reaching audience. Whatever title we created would have to stand out as the number one in its field and have a meaningful role to play.

Cyril Ramaphosa was constantly in the news with implementing the concept of black economic empowerment, and top black minds or pedlars of influence were peppering the boards of the major corporations. This was an opportunity looking us in the face, to create a publication for black business. But how?

Our newly found experience and our start from zero cash flow told us that an annual would be affordable – but surely a monthly was called for because there was so much information to cover?

A quality magazine such as the one we admired, *Leadership*, would be too onerous on us to create every four weeks. Could it be done quarterly? Scary. But with great enthusiasm,



we walked straight into the valley of the unknown. We grabbed the Nike motto, "Just do it." Whew, that's decided.

Where do we start? A title. A cover. What do we call it? The words "Black" and "Business" could be in the title. So, too, perhaps could be the word "Quarterly" (no need to be too clever). It made sense, but too many letters. Graphically, this long title would be a disaster.

With a few seconds of scribbling, the impact of the new magazine came into being. Despite a proverb to the contrary, we all judge a book by its cover – so the cover was vital.

The acronym "BBQ" jumped into life with its distinct "Q": its white bold typeface, invented for the purpose, set on a panel of pillar-box red, echoed the iconic *LIFE* magazine – yet



different. The bold white border had a clean feel, such as that of *National Geographic*, and set it apart from all other magazines.

Then, in a reversal of the trend of every magazine of the time, the cover would not be in colour, but in black and white. It was a conscious decision to stand aloof and treat each cover as if a proud boardroom portrait of the most prominent black person of the day – and not as a photograph, but as a painted image that would give added weight and importance to both the personality and the magazine.

We struck a deal with the National African Federated Chamber of Commerce to distribute among its members, and found other niche audiences who would appreciate our product; we appointed an editor and writers, became familiar with Apple Mac desktop publishing, contracted in with a repro house, and got the best printer to be part of our team.

The key to the financial success of this project – in fact, of the entire publishing venture – was the strength of the sales team, for without advertisers there was no sponsor to carry the million rand required to pay for each edition.

From the outset, we reached for meaningful topics that imparted views, interviews and facts behind the news of a broad sweep of topics that affected business in southern Africa and would impact on the way the government set guidelines and black business interpreted the opportunities.

It was clear that we would have to network quickly at the highest level of black leadership to know the personalities and the big issues.

We got to taste greasy meat and samp by the heaped plateful, and elegant cuisine at 5-star hotels paid for by eager corporations, with conspicuous servings of Johnnie Black and Amarula.

The catchwords were the need for entrepreneurs, competitiveness on a global scale, education, houses, water, jobs, crime, opportunities in telecommunications and information technology (as we watched that bubble blow), along with the scramble for black economic empowerment compliance: words that rang well with the early electorates and the promise of political positions.

But the work ethics were bitterly criticised as, too, was the wholesale scramble for self-aggrandisement and the rush to suck the coffers and direct funds to personal benefits. All this came as chagrin to the Struggle leaders who felt their ideals had been tarnished, trampled and stampeded over.

All the while we were treated to the impish wit of Kader Asmal, the boundless joy of Archbishop Tutu, the huge handshake of Morgan Tsvangirai, the wisdom of Walter Sisulu, and the rich thinking of a galaxy of players.

On meeting with Mandela for the first time, an occasion brimming with expectation (what words of wisdom would he impart that we could record for posterity?), the amiable man – with a glowing aura about him – smiled as he shook hands and simply said: “Hello, lovely to see you.”

I elected to not only design the magazine layouts, but to paint the cover portraits with paint brush and oils, which also appeared inside as full-page colour portraits with the cover story, and were converted at computer scan to the black-and-white front cover version.

Some of the great leaders appeared on the covers. It was a yardstick, and a very important one, that each person should be black, respected and easily recognised. The cover was, strange as it seems, the very last page to be put to bed, and the finishing wet brushstrokes often happened around midnight, with my daughter’s hair dryer coaxing the paint’s moisture to evaporate.

The acid test of success came the next morning at breakfast when my domestic worker was shown the portrait for the first time and was asked who it is. “Oooh... yoh, yoh, yoh!”, came the delight and marvelling response from Patience. “You are so clever! That is Mr Thabo Mbeki!”

The delight was always the same (“Mr Cyril Ramaphosa”, “Mr Tito Mboweni”, “Mr Walter Sisulu”, “Aaah, Madiba!”, “Mr Radebe”). It was a mutual admiration society.

Fired with enthusiasm, the painting was scanned, dropped in to its cover position, and the magazine went to press.

There was great pleasure in meeting, photographing and interviewing the leaders, often in the noble settings of the lounge of their 5-star hotel or their offices in Parliament or place of work.

Technologically, the print industry itself has tumbled into amazing transformation. In the time of the past 50 editions, we have seen the introduction of computer-to-plate technology – something that astounded us as the old wet film, four-colour repro sheets and darkroom technology were transformed by a computer disc burning images directly onto the metal plates, making the whole operation faster and cheaper; and week after week we see steps that continue making the process more streamlined and which make my head spin.

But as exciting has been our own growth and the development of the *BBQ* brand.

One of our great extensions has been the *BBQ Awards* held in November each year, with a live audience and television coverage at a gala dinner in Johannesburg, where top people in the various fields of endeavour are acknowledged for their achievements. In 2011, the event was sold out with 1 000 people in attendance.

It has been a successful journey that has benefited many people, all starting from a simple concept born of euphoria. The future calls for further expansion of connecting black business in various meaningful ways with more awards, television, radio, electronic magazines, exhibitions, conferencing and networking forums, and accepting new challenges that are thrown before us.

Because of *BBQ* and the principles that made it successful, Cape Media Corporation has grown with every year – adding new titles, products and services to the point where it now has its own building, an extensive network of suppliers, a host of advertisers and a staff of 300. It is a great place to work!

Sometimes it takes years to become an overnight success. 

Royston Lamond

Publisher: Black Business Quarterly

Guarantee employee satisfaction

Partner with the Unemployment Insurance Fund to improve service delivery



labour

Department
labour
REPUBLIC OF SOUTH AFRICA

Are you a socially responsible employer? Are you concerned about the well-being of your employees and their dependants in the event of unemployment, illness, maternity/adoption leave or in the event of the death of an employee? If so, ensure that you comply in terms of both the Unemployment Insurance Act No 63 of 2001 as well as the Contributions Act No 4 of 2002.

What are the compliance requirements?

Employers are required to register with the Unemployment Insurance Fund (UIF) as soon as they commence business as an employer. Employers are further required to declare their employees as soon as they are employed or there are changes to their employment records.

Subject to the UIF, employers are required to deduct a 1% UIF contribution from employees on remuneration and also contribute an additional 1%. The total 2% contribution must be paid over to either the South African Revenue Services (SARS) Commissioner in terms of section 8 of the Contributions Act or to the Unemployment Insurance Commissioner in terms of section 9 of the Contributions Act.

Why is this information needed?

The Unemployment Insurance Commissioner is required, in terms of section 57 of the

Unemployment Insurance Act 63 of 2001, to maintain a database of employers, contributors and beneficiaries. The database is updated with the information declared by employers.

How does the information provided by employers lead to effective service delivery?

Any payment of UIF benefits must be based on the information contained in this database. It is therefore imperative that this information is correct as it is used to calculate the amount and number of benefit days paid.

A claim for UIF benefits will be delayed if the employer has not provided such information to the UIF.

The information is used to determine the contributions due by the employer and the Fund has a responsibility to collect all revenue due in order to ensure proper management of contributions.

What information to declare

When registering as an employer, complete payroll information which includes ID numbers of employees, period of service (i.e. date of assumption of duty), remuneration must be provided.

On a monthly basis, the employer should declare any changes to the employer's payroll, which includes changes in remuneration, new appointments as well as service termination.

The importance of declaration

The above-mentioned information is necessary to speed up services to the Fund's clients when they claim for benefits. Declaring on time will ensure that the Fund is able to fulfil its service delivery mandate of processing and paying claims within five weeks.

How do I declare employee information?

Employers can try the following options: contact the UIF call centre on 012 337 1680; or visit www.ufiling.co.za; or go to the nearest Labour Centre

NB: The above information must be submitted before or on the 7th of each month. It should be remembered also that UIF contributions corresponding to the employer's total payroll must be made before or by the 7th of each month.



Committed to excellence

T and T Appointments provides an unparalleled level of service to both clients and candidates

T and T Appointments offers recruitment, human capital, project management, and accredited training and development services. It specialises in job advertisements and response handling, applications, assessments, interviews and temporary staff administration.

The company provides its clients with the peace of mind of knowing that its practices are in line with all relevant labour legislation.

T and T Appointments is a 100% black female-owned and managed company with an interest in empowering up-and-coming small, medium and micro enterprises.

Services

T and T Appointments renders full Human Resources consultancy services, including the following areas (but not limited to these):

- Permanent and temporary recruitment and selection (including headhunting)
- Working with executives to develop an organisational vision, strategy and structure. This includes involving the HR leaders so to position the HR function as business partners who add value to the bottom line.
- Performance management
- Organisational development
- Change management
- Retention strategies
- Benchmarking
- Executive coaching; and
- Labour brokering.

Commitment

In line with the company's commitment to provide consistent superior service, it has highly skilled professional recruiters with years of experience, and who are knowledgeable regarding the recruitment market. Each client receives a tailor-made service based on individual HR needs.

The aim is to match the combination of thorough and in-depth knowledge of a client's needs and corporate culture, as well as candidates' skills and previous work experience. This allows T&T Appointments to successfully recruit and select suitable candidates for each job specification.

As a value-added service, the company is committed to ongoing after-sales service – ensuring that clients' needs are met.

Vision

To always be a company that improves the performance of its clients' businesses through tailored, cost-effective staffing and generalist consultancy solutions.

Mission statement

We are dedicated to our clients and take personal responsibility to provide an unparalleled service to both clients and candidates, placing great emphasis on maintaining a high degree of ethics. We realise that without the client our business does not exist. We care passionately about our clients and candidates.

Why T and T Appointments?

T and T Appointments provides consistent superior service. We always ensure that we



*Trinity Lekwetse Ncala
Founder and Managing Director*

contribute to the effectiveness and efficiency of your processes through a thorough understanding of your internal processes and risks specific to your organisation.

Our guarantee to all clients covers in the event of the employee leaving your company within the three months guarantee period for any reason other than retrenchment, company closure, and change of management or substantial change from the original job description. Should such an eventuality arise, we will endeavour to find a replacement as per the original job specification.

Clients

T and T Appointments covers all industry sectors and markets, ranging from private to public sector. Some of its clients include:

- Foskor
- Cell C
- Roche
- Consumer Goods Council of South Africa
- South African Post Office
- Nestlé
- National Housing Finance Corporation Ltd
- National Empowerment Fund

Leadership

Trinity Lekwetse Ncala, Founder and Managing Director, is an award-winning entrepreneur, author, wife and mother of two.

She is a recipient of the following awards in 2011: Businesswoman of Year at the Van Ryn's Black Business Quarterly Awards; Young Business Achiever (Van Ryn's BBQ Awards) and the Top Young Woman Entrepreneur (Topco Media Top Women in Business and Government Awards).



A P P O I N T M E N T S

T and T Appointments is a recruitment, human capital, project management and training company.

Our undertaking guarantees the following:

- Consistent superior service in all our dealings
- Showing integrity and respect in the way we conduct our business with both clients and candidates
- Developing long-term relationships with both clients and candidates
- Progressing with the client's diversifying needs
- Becoming an extension of the company's personnel department
- Open and honest communication
- Mutually beneficial relationships

T and T Appointments specialises in recruitment for the following areas:

- Finance
- Human Resources
- Sales & Marketing
- Supply Chain Management
- IT and Engineering
- Call Centre Staff
- Administration/Secretarial/Data Capturers
- General Workers

T and T Appointments is a company that you want to outsource your recruitment services to because

- We have the capacity, expertise and track record
- Ongoing training provided to our recruiters
- Legal defensibility and statutory compliance
- Ability and experience in handling large contracts
- We adhere to Best Business Practice Ethics hence we are a member of APSO
- We run workshops for our clients: to keep our clients abreast with latest environmental changes be labour relations, diversity change management, HIV/Aids, recruitment etc
- We are a professional one-stop shop that recruits across the board
- We offer on-Site Management of temporary employees
- Pricing: Competitiveness

Contact details

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Telephone: 011 234 7622

Email: reception@tandtappointments.co.za

Facebook page: T and T Appointments

Twitter: TandTApp

Where to invest in Africa

***TIME* magazine set tongues wagging not so long ago when it branded Africa “a Hopeless Continent”. Does the cap still fit?**

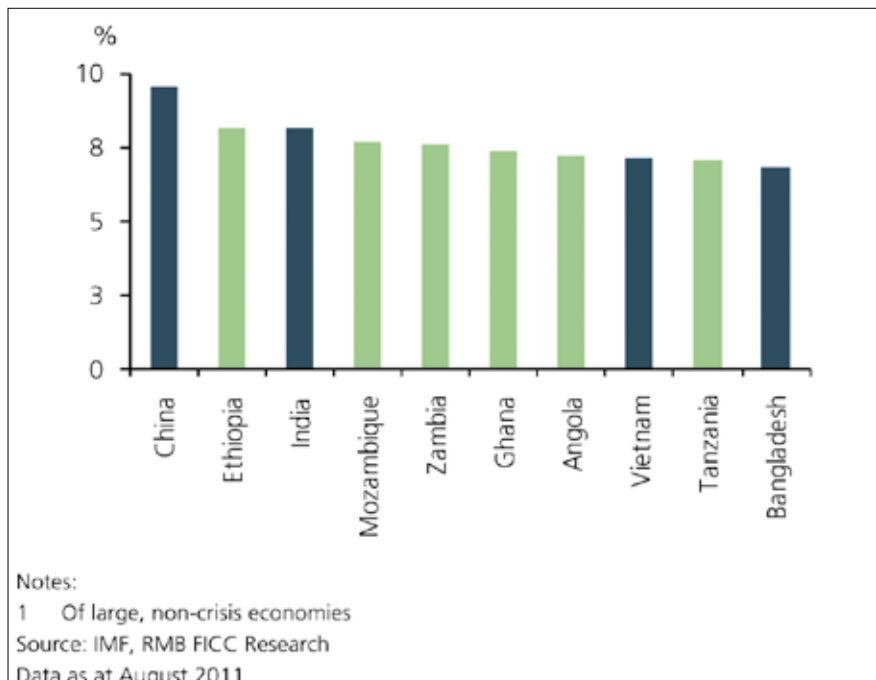
For all intents and purposes, Africa has been the flavour of the year under review and continues to attract suitors. It all began when the Chinese – in their frantic search for resources to fuel their fast growing economy (the second largest in the world) – identified the continent as a new frontier in global business, besides being a major source for commodities. Now, their more bashful counterparts from BRICS (India, Brazil, and to a lesser extent Russia) are playing catch-up. So are many other major players from the West which have been ogling her, but lack the courage to make that move.

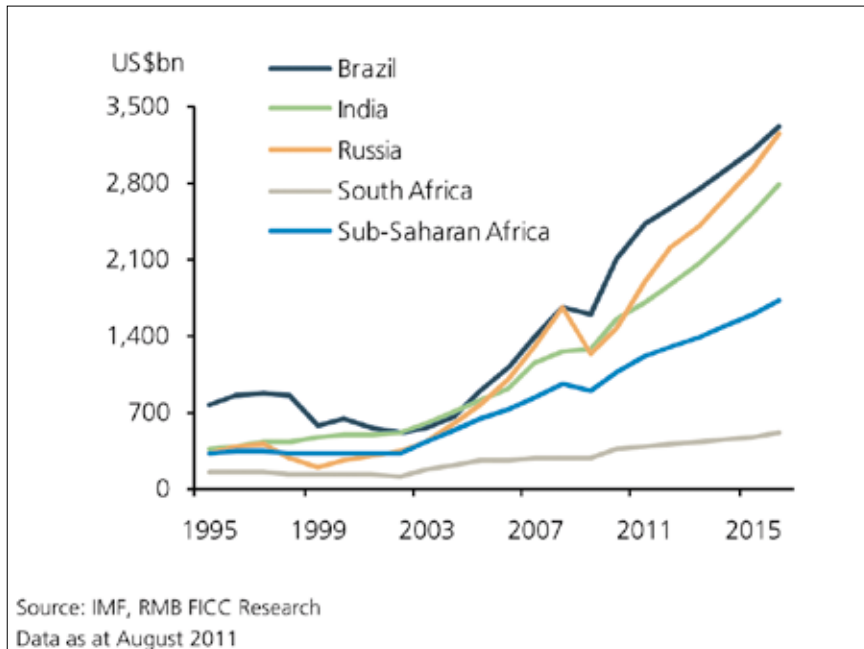
Fact is, businesses are starting to invest widely in sub-Saharan Africa. The key reasons for doing so are the following:

- The region has been doing very well economically, growing at 5.6% per year in the last decade. Six of the 10 fastest growing economies in the world in the past decade were in sub-Saharan Africa.
- According to the latest forecasts by the International Monetary Fund, six of the 10 fastest growing economies in the next five years will be in sub-Saharan Africa (see graph on the right).
- A large market: 840 million people, with a total US\$1.9 trillion in purchasing power, making it larger than some of the BRICS (see graph on the opposite page).
- A sharp reduction in political conflicts.

- An improved macro-economic environment, with inflation and budgets broadly under control.
- A better business climate, owing to regulatory reform and privatisation.
- Improved access to and integration with international capital markets.
- Favourable demographics: from a rapidly growing population and labour force, to urbanisation and growth in the middle class.
- The perception of Africa being the “last frontier”.

McKinsey & Company’s “Lions on the move: The progress and potential of African economies” report of June 2010 provides an excellent report on these issues. To quote: “If recent trends continue, Africa will play an increasingly important role in the global economy. By 2040, Africa will be home to one in five of the planet’s young people and will have the world’s largest working-age population. “Global executives and investors cannot afford to ignore the continent’s immense potential. A strategy for Africa must be part of their long-term planning.





"Today, the rate of return on foreign investment in Africa is higher than in any other developing region.

"Early entry into African economies provides opportunities to create markets, establish brands, shape industry preference, and establish long-term relationships. Business can help build the Africa of the future."

Key macro-economic statistics on sub-Saharan Africa

- 45 countries.
- 840 million people.
- Young, growing population.
- Rapid urbanisation – 50% of the population will live in cities by 2035.
- US\$1.1 trillion economy at market prices.
- US\$1.9 trillion purchasing power.
- Average of US\$1 340 gross domestic product per capita.
- Geographical area of 20 million square kilometres.

Reasons for caution

There seems to be few willing to challenge the Africa success story. Nevertheless, the arguments for caution are not hard to find:

- A large part of the achievements of African economies in the last decade may simply be a result of the increase in resource prices. McKinsey, as well as other authors, downplay this risk, seeing growth as being driven more by domestic demand. While we agree that domestic demand has contributed, we find no evidence to suggest that resources are not the backbone of economic growth in sub-Saharan Africa. Certainly, it remains to be seen how well the region would perform if commodity prices entered a prolonged slump.
- Past success does not necessarily imply future success. We looked at the correlation between country economic growth in the 1980s and the 1990s, and the 1990s and the 2000s, and found that countries that did well in one period did not necessarily do well in the next. Indeed, sub-Saharan Africa performed very well in the 1960s and early 1970s, but then underperformed significantly for the next two decades.
- Political risks may be diminished but remain high, as the recent problems in the Ivory Coast demonstrate.

- Most sub-Saharan African countries are still far from fulfilling conditions associated with sustained economic success in other developing countries. Most economies are still relatively closed, governments widely interfere in the private sector, leadership and administration capabilities are weak and, most of all, investment rates are inadequate. For a good report on necessary conditions for growth, see the World Bank's *Commission on Growth and Development*, published in 2008.

While sub-Saharan Africa may be reforming and growing rapidly, most of the countries in this region still have a long way to go when it comes to investor-friendly regulatory or business environments. The latest "Doing Business Report" by the World Bank suggests exactly that: out of 183 countries studied, only nine of 45 sub-Saharan Africa nations featured in the top 100.

A balanced view

Sub-Saharan Africa is an improved story, but it is not set to shine like Asia. Quite simply, conditions are still well off best practice levels, and much growth has been driven by higher commodity prices.

Africa is far from a homogenous story; while there are many successes, there are still far too many failures – and it is not clear that we will be able to tell these apart up front.

Even with a much improved performance, sub-Saharan Africa will still be small in terms of the global market. Still, it is growing fast enough to generate a huge amount of interest, and many South African and international companies see it as a natural progression to invest in the region. As a consequence, many South African retailers have already invested in the continent.

Nigeria

Snapshot (2010 statistics)

- Investment attractiveness – 4.9 (second out of 45)
- GDP (market prices) – US\$216.8bn (second out of 45)
- GDP (purchasing power) – US\$377.9bn (second out of 45)

- GDP growth 2011–16 – 6.4% (15th out of 45)
- Population – 156.1 million (first out of 45)
- GDP per capita (market prices) – US\$1 389 (13th out of 45)
- Operating environment score – 3.1 (25th out of 45)
- Openness to foreign investment – Open

Strengths

- Largest population in Africa, second largest economy, gateway to West Africa;
- Fast economic growth;
- Oil wealth;
- Large infrastructure spending;
- Developed capital markets;
- Low-cost labour pool;
- Strong non-oil sector.

Challenges

- High levels of corruption, bureaucracy and crime, and an inconsistent regulatory environment with arbitrary policy changes.
- Poor infrastructure, notably rail; and major problems in electricity provision.
- Average operating environment: Difficulty in accessing loans; very high property costs; restrictive import regulations; cumbersome and slow clearance of goods through the ports; an inefficient property registration system; slow and ineffective courts and dispute resolution mechanisms.
- Political risk: Ethnic and religious divide causing sporadic political violence; uncertainty over democracy; the protectionist tendencies of policy-makers; sporadic attacks on oil facilities.

Zambia

Snapshot (2010 statistics)

- Investment attractiveness – 3.5 (10th out of 45)
- GDP (market prices) – US\$16.2bn (12th out of 45)
- GDP (purchasing power) – US\$20.0bn (18th out of 45)
- GDP growth 2011–16 – 7.6% (6th out of 45)
- Population – 13.3m (19th out of 45)
- GDP per capita (market prices) – US\$1 221 (15th out of 45)
- Operating environment score – 4.2 (9th out of 45)
- Openness to foreign investment – Very open

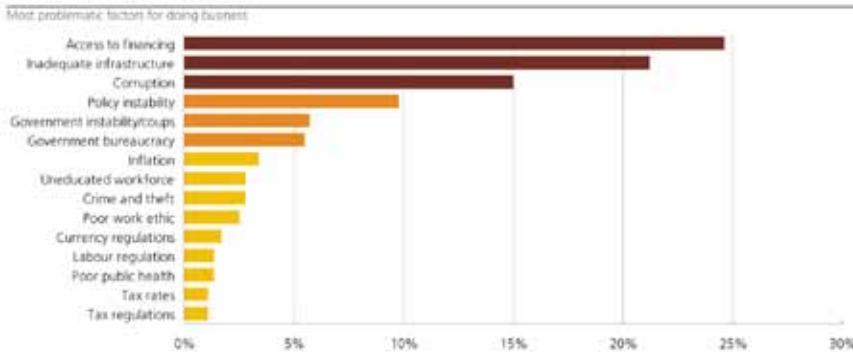
Strengths

- Rapid economic growth.
- A decent sized economy.
- A relatively developed financial system.
- Relatively good political risk profile (very recently had peaceful handover of power).
- A relatively good operating environment – moderate levels of corruption; high levels of economic freedom; relatively reliable electricity supply; low tax rates; ranked by the World Bank as one of the easiest countries in which to do business; top business reformer.
- High potential for resource extraction.
- High investment spending.
- A freely tradable currency.

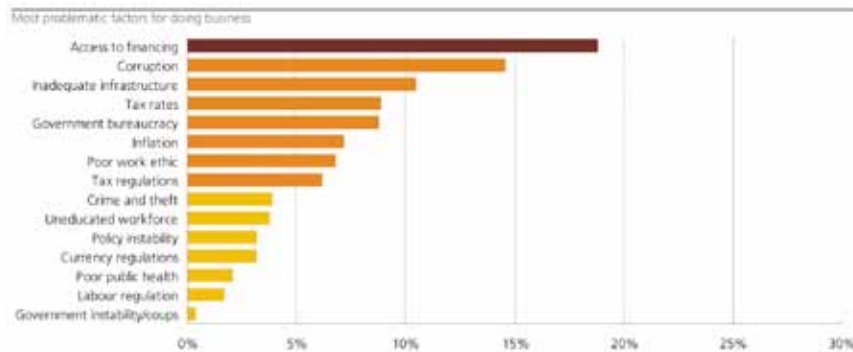
Challenges

- Thinly dispersed population, high income inequality.
- Poor rail and road infrastructure, and restricted access to the sea.
- Poor levels of health and basic education.
- A history of double-digit inflation.
- Problems in enforcing contracts, crime problems, labour market rigidity, high levels of bureaucracy.

This article, the first in a four-part series, is brought to you courtesy of Rand Merchant Bank Fixed Income, Currency and Commodity Research (www.rmb.co.za)



Note: From a list of 15 factors, respondents were asked to list the five most problematic for doing business in the specific country and to rank them 1 (most problematic) and 5 (least problematic). The bars in the figure show the responses weighted according to their rankings.
Source: Global Competitiveness Report 2010 – 2011 (World Economic Forum)
Data as at August 2011.



Note: From a list of 15 factors, respondents were asked to list the five most problematic for doing business in the specific country and to rank them 1 (most problematic) and 5 (least problematic). The bars in the figure show the responses weighted according to their rankings.
Source: Global Competitiveness Report 2010 – 2011 (World Economic Forum)
Data as at August 2011.



Key infrastructure planned

Over the next three years, the government plans to spend R802 billion on infrastructure development

According to Minister of Finance Pravin Gordhan on 25 October 2011, the government is to place more emphasis on funding the development of long-term infrastructure.

Presenting the Medium-Term Budget Policy Statement in Parliament, the minister said that public sector investment in infrastructure – which has increased from 4.3% of the gross domestic product in 2005 to 7.5% in the first half of 2011 – remained central to the government's plans for economic development.

"Infrastructure projects in energy, roads, rail, telecommunications and water will ease bottlenecks and reduce costs in the rest of the economy, crowding in private investment and improving access to export markets," Gordhan noted.

Over the next three years, the government plans to spend R802 billion on infrastructure: the lion's share will go into the areas of energy, transport and logistics, as well as water and sanitation.

Included in these investments are Eskom's capital expenditure programme, which is expected to double electricity generation by 2025; and the expansion of bulk freight rail, which will help raise transport volumes from 47 million tonnes to 60 millions tonnes.

Of the R185.3bn spent on public sector infrastructure in the last financial year, over a third – or R69.1bn – was invested in transport and logistics; R52.5bn in energy; while water and sanitation made up R14.4bn.

Included in these investments was R6.7bn in hospitals and clinics, R6bn in schools and R3.8bn in courts.

Gordhan said that reforms to improve the quality of regulation and encourage increased

private sector participation would improve efficiency and lower costs in these sectors.

Speaking at a media briefing shortly before delivering the Statement in Parliament, he said South Africa had the capability to develop world-class infrastructure. "We say we don't have capability – that's not true. South Africa delivered the (2010 Fifa Soccer) World Cup; South Africa delivered the stadia on time.

"Look at Brazil today and the challenges they are having in getting their infrastructure right," he added.

Gordhan added that the Presidential Infrastructure Co-ordinating Commission would help to develop a 10-year pipeline on infrastructure developments, put in the capabilities from the private and public sectors, and source the funding. **BBQ**

Source: *BuaNews*
www.buanews.gov.za

Creating linkages

Transforming the maritime industry and partnering for the future

It has been a steady commitment to the principles of Broad Based Black Economic Empowerment that has seen a company in the niche sector of specialist marine services bring about real transformation.

SMIT Amandla Marine, formed in 2005, is dedicated to the principles and fundamentals of sustainable economic development in South Africa, embracing the objective through the participation of employees in the ownership of the company by means of an Employee Trust which owns 12%.

The company has also identified procurement as the key to entrenching the values of economic development in its day to day business so as to maximise growth and the promotion of sustainable job creation within the industry.

Amandla Procurement

Since 2005, SMIT Amandla Marine has contributed to the development and sustainability of a significant number of Qualifying Small Enterprises (QSEs) and Emerging Micro Enterprises (EMEs). With a Rand spend of more than R170 million in 2010, the company engaged with more than 590 BEE-compliant companies and SMMEs to ensure that 81% of its total spend in South Africa satisfied the requirements of preferential procurement. A strategic approach has helped, as has partnering with suppliers to assist them in transforming – with supplier development workshops in major centres an annual event. In Mossel Bay, Cape Town, Durban, Richards Bay and Port Nolloth, the company uses local service providers to carry out work on and to supply services to its vessels; this contributes to sustainable job creation and economic growth for the local communities.

It is a team effort with procurement officers and technical superintendents supporting the

BBBEE development of suppliers and service providers. And due to these efforts, the Level 3 company has grown its BBBEE compliant supplier base by over 50% in the past five years.

Amandla People

SMIT Amandla Marine is the leading employer of South African seafarers and more than 80% of all employees are black South Africans. The company is a 2011 winner of the National Business Award for 'Diversity in the Workplace'. Since launching the company in 2005, more than 30 cadet officers have been trained, 50 officers and 80 ratings have undergone developmental training and each year more than 400 training interventions have been successfully completed for SAM staff.

The overall training budget for staff is substantial, with more that R7.5 million having being allocated in 2010.

A successful and proven talent pipeline has seen many of its senior ratings and officers start their careers with the company and rise through the ranks to their current positions. The chairman of the SMIT Amandla Marine Employee Trust Board of Trustees and a director (non-executive) on the Board of SMIT

Amandla Marine started his career as a junior cook on one of the ships and is now serving as one of its senior ship captains.

The building of capacity for the local Maritime and Oil and Gas industries is dependent on local companies securing contracts on the coast and for those companies to commit to employing South Africans for the work. Over the years, SMIT Amandla Marine has consistently shown that local employment and development is foremost in its operations and opportunities are afforded to South Africans for either employment or skills development.

Managing Director Paul Maclons is pleased with their progress: "Our level three status indicates that we take transformation seriously and we consider empowerment to be the key to doing business sustainably in South Africa. We were most proud to have been able to pay a dividend to our Employee Trust beneficiaries this year – which rewarded their hard work and commitment to grow our business."

It is this commitment that indicates to clients such as PetroSA, National Department of Transport, De Beers, Sapref and oil majors that this is a future focused organisation intent on playing a critical role in transforming the maritime sector.



SMIT Amandla Marine has trained 40 unemployed South Africans to enable access to the formal sector in the maritime industry in a unique training programme run in Port Nolloth, Hermanus and Mossel Bay over the last two years. Pictured are recent graduates from Mossel Bay, attaining their Skippers ticket for under 25 tonne/9m vessels.



Amandla Marine

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Mining sector in sluggish growth

Mining activity in South Africa lagged behind that of other countries during the period under review

South Africa's mining sector has failed to capitalise on escalating commodity prices. Furthermore, it has performed poorly in recent years when compared to the mining sectors of other countries, said Minister of Finance Pravin Gordhan on 25 October this year.

The Medium-Term Budget Policy Statement presented in Parliament revealed that, while the country's mining sector grew by 6.3% in the first half of 2011, it had not experienced as much growth as the mining sectors of similar countries when compared to the same period the year before.

Compared to Chile, where the mining sector grew 12% between 2001 and 2008, as well as 30% in Australia and 44% in Brazil between 2003 and 2010, growth in South

Africa's mining sector between 2001 and 2008 was flat.

Added to this, investment in the sector during the 2000s grew by 7% in South Africa, while it shot up by 24% in Australia's mining sector.

Gordhan said that while South Africa had benefited from a 16.3% increase in the production of platinum in the first half of 2011 when compared to the same period in 2010, in the year to August the mining sector had contracted by 4%, with sharp falls in diamonds and gold – despite a 12% increase in primary commodity prices.

Production was disrupted by strikes and safety stoppages, he noted.

Gordhan added that several factors contributed to the sector underperforming, including uncertainty in the regulatory environment governing the transfer of mining rights; operational inefficiencies in the rail

system and high port charges; exchange rate volatility; production stoppages owing to electricity shortages; and the increasing cost and risk of mining gold, which is being mined at deeper levels than before.

He said the debate over nationalisation had further fed uncertainty among investors.

Meanwhile, the manufacturing sector declined by 7% in the second quarter, compared to the same period in 2010, after growing 14.5% in the first quarter. Some of the decline was attributed to the fall in vehicle production, with the delay in input supplies from Japan.

The agricultural sector contracted in each of the first two quarters of 2011, largely as a result of poor weather conditions that had affected harvests. **BBQ**

Source: *BuaNews*
www.buanews.gov.za





KING SHAKA INTERNATIONAL AIRPORT ARIAL VIEW



KING SHAKA INTERNATIONAL AIRPORT HANGAR



KING SHAKA INTERNATIONAL AIRPORT INTERIOR

AIRPORTS AS DEVELOPMENT CATALYSTS

Reg No. 1953/004149/06

Airports are so much more than 'just airports', being both transport hubs and, vitally, development nodes. Airports Company South Africa has invested in the new King Shaka International Airport, now in operation for more than a year, precisely for this reason. This airport was designed and developed in tandem with Dube TradePort as a regional development node for KwaZulu-Natal.

As well as the airport, the node incorporates a 36-hectare trade zone, accommodating what is only the second fully automated cargo terminal in Africa, warehousing, a perishables centre and light manufacturing facilities.

A 12-hectare support zone will house office complexes, business parks, commercial enterprises, vehicle service stations, hotels and conference facilities. Also included will be a government support services centre, and trade and exhibition centres.

The 80-hectare agri-zone provides an extensive area for growing export quality perishables. It will be a major job creation hub, also providing packing and training facilities.

The importance of this development is reinforced by the fact that a collective total of 59 000 jobs was created during the construction phase. Of this total, 13 880 were a result of on-site construction activities, while the remainder occurred through indirect and induced impacts associated with the construction. The contribution to the South African GDP amounted to about R8,4 billion.

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MTS is the leading
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In light of MTS's experience and fuelled by the critical need for assistance in the mining sector, MTS has facilitated the development of the Women in Mining (WIM) logo as depicted above. The symbol of the clenched fist is immediately recognisable to all South Africans as it represents strength, power and freedom. By utilising this symbol MTS is leaving no room for doubt as to its commitment to equitable Transformation by creating real opportunities for women within the operational and production environments of the mining industry.

The company's objective is to facilitate the process of Transformation for WIM by providing a range of products and services that substantially improve the working relationship, understanding and therefore the environment in the mining sector for women. MTS's A-I-R (Attract – Integrate – Retain) programme aims to assist the mining industry to achieve a more diversified workforce to address a critical risk in the industry – that of skills shortage and lack of diversity within the workplace.

MTS WIM Master-Classes are a key step in initiating the A-I-R programme across the industry and facilitating improved skills and capabilities for the successful attraction, integration and retention of women.

Diversification is critical to achieving sustainable transformation and can only be achieved through:

- **true commitment;**
- **tangible results;**
- **transparent communication;**
- **driven by leaders with a clear vision;**

Contact MTS for more information on the current WIM Master-Classes or specifically tuned programmes to meet your operations' specific needs with respect to successful diversity management.

“MTS WIM Workshop was voted the strongest and most informative workshop of the entire Summit”.

Nick Roberts, Sales Director APAC, GDS International, Referencing MTS WIM Workshop Presented at New Generation Mining Summit, Perth, 27th – 28th September 2011

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Acid mine drainage solutions



Weir Minerals Africa resolves the not-so-simple task of mine dewatering.

Many factors impact on this application, and it is necessary to select the best pumping option to ensure an efficient and reliable dewatering operation.

Weir Minerals Africa has a different approach to mine dewatering and does not believe in simply selling a pump. "Greater attention is paid to customer applications following a thorough assessment. We are able to provide a total dewatering solution based on actual requirements," Ian Farquhar, dewatering product manager at Weir Minerals Africa, says.

Mine dewatering is done in both underground and opencast mine operations, and includes removing excess water from the shaft bottom, at the working face and in the open pit itself; each of which have unique requirements.

Weir Minerals Africa's extensive capability means that it is able to offer a cost-effective alternative to traditional multi-stage pumps in deep mine applications using its range of Geho positive displacement pumps. The Geho crankshaft, or hydraulically driven diaphragm pump, will raise both water and suspended solids to the surface in one single pumping stage, eliminating the need for settling ponds.

At the surface the water is then transferred using either an end-suction or a horizontal split case pump to a reclaim dam. Factors such as the volume of water, required head and solids content in water all play a role in pump selection. In addition, Farquhar points out, the minerals application will also dictate the pump and its materials of construction.

Farquhar cautions against using an inappropriate pump for mine dewatering applications, as these pumps can lead to

failures. Sometimes, when pumps are installed in series, a failure could have a catastrophic effect on the dewatering application and lead to flooding.

"Load shedding and power losses are more prevalent too," he says. "Diesel driven dewatering pumps, although more expensive to operate, offer the security of being able to continue dewatering despite power losses."

Weir Minerals Africa is well positioned to assist customers with dewatering pump applications as its product portfolio includes end-suction, horizontal split, multi-stage and submersible pumps. Within its submersible range of units are pumps that are engineered specifically for dirty water, medium slurry and heavy slurry applications.

Self-priming barge or skid-mounted diesel-driven pumps are also available, and these pump units are capable of pumping not only water against high head situations, but also large quantities of solids and slurries.

An electric-driven pontoon pump unit is also available in several configurations, including single or multiple pump sets, direct or belt driven and inclined or vertical pump set mounting. Smaller units are manufactured with a single hull facilitating easy transportation due to its compact dimensions, while larger units are designed as three-piece pontoons to simplify the logistics of transportation. The two outer sections are the flotation units, while the centre houses the pump sets.

Farquhar points out that positive self-priming is critical to the reliability of these pumps which are engineered to self-prime within minutes of starting.

With the increased demand for dewatering pumps over the last few years, the company has focussed its product range and developments to suit this portion of the industry. In order to ensure flexible solutions for changing customer requirements, a range of dewatering pumps are also available on a rental basis.



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Current acid mine drainage operations in South Africa place extreme demands on the type of pump as well as the utilisation of special materials and pumping processes.

Weir Minerals has an extensive portfolio of products in stainless steel and other exotic materials suitable for the transport of acid mine water.

In line with our customer driven focus, Weir Minerals offers a pump rental concept as an attractive alternative to an outright purchase.

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For more information contact us on:
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Making its presence felt

Tata Motors makes a bold statement at Johannesburg International Motor Show

Tata Motors is India's largest automobile manufacturer, having achieved consolidated revenue of US \$ 27billion in 2010 – 2011. It is a leader in the commercial vehicle market and is rated as the world's fourth-largest truck manufacturer and the world's third-largest bus manufacturer.

At the recent Johannesburg International Truck Show, Tata Motors made its presence felt with a turned-on display of automobiles, light and heavy commercial vehicles.

Tata Motors is one of the few vehicle manufacturers to have such a comprehensive range of vehicles in its workshops, from small passenger cars to extra heavy commercial trucks and buses. The truck range includes a two tons to a 56 ton truck along with tractors that have up to 18 variants covers a full spectrum of market requirements.

Having established itself in the South African market over the last few years, with over 35 000 commercial vehicles plying their trade on the country's roads, Tata is poised to grow further with the introduction of the new Tata Novus V3TXF, 480 hp, 6x4 truck tractor, built in the Tata Daewoo facility in Korea.

Tata acquired the Daewoo Commercial Vehicle Company in 2004 and has made good use of the product capabilities to enter the extra-heavy commercial vehicle market. The new Novus V3TXF is fitted with the well-tryed Cummins ISX 15, 480 hp diesel engine which powers over 20% of the trucks on our roads and with the addition of the Eaton AMT gearbox is well equipped to meet the needs of the South African operators.

The strides which Tata has made in the local market will be further enhanced by their new range of vehicles and according to P.M Telang, managing director of Tata-India Operations, said: "The new Tata vehicles being introduced into South Africa will bolster our already significant portfolio in the country. These introductions are the result of the benefits we have already derived from South African customers. We look forward to a deeper presence in South Africa, which is a focus market for us".

The introduction of the international Tata Prima range of premium trucks is a significant step forward for the company who hope to enter the long distance haulage market with this product. The introduction of this range has marked a new era in the Indian automotive industry, keeping in line with its pioneering tradition.

The new range will be available in early 2012 and will cover an entire range of extra-heavy vehicle requirements and applications. From the Prima 4938S 6x4 tractor, the range will extend to 4x2 tractors, 10 cum tippers and an 8x4 19 cum tipper.

The new Prima will be Euro III and Euro IV compliant with Euro V already on the cards. This will ensure an increased power range available to meet the requirements of the local market. The Prima range is a completely new design and based on the latest technology and aesthetic designs in order to compete with the leading manufacturers and meet the needs of long distance drivers. This vehicle has set new benchmarks for the Indian manufacturer and is intended to match the best in the world in performance and lower life-cycle costs.



*Sudhir Babshet, Executive Director
TATA Automobile Corporation SA (Pty) Ltd*

Tata Motors is equally focussed on environmentally-friendly technologies in emissions and alternative fuels. It has developed electric and hybrid vehicles both for personal and public transportation. It has also been implementing several environment-friendly technologies in manufacturing processes, significantly enhancing resource conservation.

In addressing the press at the Johannesburg international Motor Show, Noel Tata, managing director of Tata International Limited, concluded, "We see Africa as a region of tremendous potential for the group and our participation in the Motor Show, along with the introduction of the latest products, will serve to further strengthen the Tata brand in these markets. In South Africa, the auto industry is making giant strides and we are happy to contribute to this growth".

Pierre Sanson



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Making dreams come true



Ikusasa School of Cooking – a project worth the investment

At the recent Van Ryn Black Business Quarterly (BBQ) Awards ceremony, the Chaîne des Rôtisseurs Foundation Trust was chosen as the winner of the category “Corporate Social Investment”, for its efforts and support in establishing and running the Ikusasa School of Cooking. Susan Abro, one of the three Durban-based founding trustees, accepted the very prestigious BBQ Award on behalf of the Foundation Trust.

This is not the first award that the Chaîne des Rôtisseurs Foundation Trust has received in 2011. It has also been awarded the BHP Billiton *Achiever* Award: Tourism Category.

Why is it important for you to invest in this project?

Studying to become a qualified chef would normally cost anything up to R100 000 per year, through the various professional catering schools and universities. For those young men and women whose families cannot afford such fees, and for children in children’s homes with no one to support their dreams, such possibilities are simply too far out of reach and seemingly impossible to even imagine.

This is where the Ikusasa School of Cooking steps in (Ikusasa means “tomorrow” or “hope” in Zulu). It is a charitable project of the Foundation, which commenced in January 2010 and offers 10 extremely disadvantaged school-leavers the opportunity to learn valuable and in-depth culinary skills

during a one-year programme. It is based at the St Martin’s Diocesan Home for Children in Glenwood, Durban.

Michael Almendro is the resource developer for the Home, and acknowledgement and appreciation is gratefully extended to St Martin’s and the Anglican Diocese for their ongoing support – the least of which is providing the facility and space on their property for the Ikusasa School of Cooking.

More interest was sparked with the backing of the national membership to the Chaîne des Rôtisseurs, and its recently formed Chaîne des Rôtisseurs Foundation Trust (the international Chaîne’s non-profit making entity designated with the task and objective of giving help and assistance to the most underprivileged through its food-related initiatives and charitable aid programmes); and through the drive and passion of the Durban-based founding trustees: Sundru Pillay, Don King and Susan Abro; as well as its board members: Barry Caldicott, Sean Webber and Carolyn McDougall.

The International Hotel School (IHS) was the next on board to get behind the project, bringing serious recognition and putting the Ikusasa School of Cooking on an entirely new level.

From its humble beginnings, Ikusasa has grown into a project that offers its graduates internationally recognised qualifications and opportunities. The students are following a City & Guilds Culinary Arts Skills Programme, which is administered by the IHS.

This programme not only provides the students with the necessary theory and

practical experience to work in the hospitality industry, but also with the strong likelihood that they will be placed in jobs upon completion of the course. The students gain practical experience at Durban’s top hotels, including The Oyster Box, The Beverley Hills and the Elangeni hotels.

In addition, the students are trained to grow their own herb and vegetable garden at the school, which is one of the many skills learnt – not only for the benefit of the individual, but something they take back to their own communities, sharing their knowledge and encouraging the growing of gardens for food.

The school’s strict selection process ensures the most deserving candidates are chosen to benefit from the programme.

Programme support

Students accepted into the programme work toward City & Guilds of London Foundation and Proficiency Skills Certificates in Basic Food Preparation. These certificates have been designed to provide a broad, basic introduction to the essential practical skills required for a career in the world of culinary arts. Completion of these internationally recognised certificates lay the foundation for the students to progress through a clearly defined qualification structure, should they wish to further their studies and training.

Students are educated and assessed by chef lecturer Karen Henwood on an ongoing basis through the completion of questionnaires, tests and assignments. The Skills Awards are made once a student has demonstrated an



Sundru Pillay – Chairperson of Chaine Foundation and Project Manager of Metrolink PR



Susan Abro – Founding Trustee and Senior Attorney



Don King – Founding Trustee and Managing Director of The International Hotel School (Pty) Ltd



acceptable level of understanding and competence of both the theoretical and practical components of the programme.

In addition to the work required for the London City & Guilds Skills Certificate, students gain certificates of completion for: HACCP: Food Sanitation and Safety; and Basic First Aid.

Through the huge efforts of the Chaine Foundation Trust, sponsors and funding for the project to date have been secured but, as with any social responsibility programme, funding and the quest for sponsorship are never-ending. Existing sponsors are sincerely thanked by the Foundation and the school, for without them, the project would not be where it is today. Ikusasa relies entirely on support from companies, funding organisations and through its own fundraising initiatives.

The school's principal funder has been the Southern Sun Children's Fund, which has generously contributed R500 000 to date toward the running of the school. Other funders that have given generously to the school are

featured at www.ikusasa.co.za and on the Donors Board on the exterior of the school's training classroom at St Martin's.

The vision of the Chaine Foundation Trust is that the Ikusasa School of Cooking will be sustainable in the years to come so that it may continue to offer this opportunity to many more students.

There are further plans to expand and have an Ikusasa School of Cooking in every major centre in South Africa. It therefore seeks funders that share in the vision of empowering young South Africans with valuable skills.

For further information regarding sponsorship and funding, contact:

Mr Sundru Pillay – 082 568 2504 or sundru@metrolink.co.za

Mr Barry Caldicott – 082 893 8102 or barry@geochem.co.za

Ms Susan Abro – 031 312 6227 or susan@susanabro.com

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Van Ryn's BBQ Awards toast decade of success

Minister of Public Enterprises Malusi Gigaba delivered the keynote speech at Emperors Palace

wish to start by commending the organisers of the *Black Business Quarterly Awards* for simply standing behind the notion of celebrating success in empowerment.

In essence, what we have come to celebrate here tonight is black success.

There are many eminent black business persons whose names adorn the BBQ Awards achievers' galaxy.

These particular awards take place in a specific and unique context of black business people having recently taken a firm stand to affirm their own interests and aspirations within the business community, as well as their right to organise themselves along the lines that they are black and still largely excluded from owning productive capacity.

Therefore, I believe it makes sense that we must talk more and not less about this subject of broad-based black economic empowerment (BBBEE).

This has happened in the face of ardent opposition from the dominant illiberal opinion in our country, which still dominates the public discourse and has, since the advent of our democracy 17 years ago, rabidly opposed all transformative legislation – dubbing it racism in reverse.

Yet, this same illiberal opinion shamelessly finds no fault in keeping quiet in the face of the continued concentration of wealth in white hands.

The diatribe we have listened to since the advent of democracy in South Africa is that we must aspire toward an "equal opportunities

society" as though black and white South Africans started this race into the future at the same point, or as if the playing field is level.

The folly of such views has been exposed again and again by reality and yet its advocates and high priests are refusing to budge, arguing ever more steadfastly each time facts strike a telling blow to their arguments.

Despite the BEE policy, and 17 years into the new dispensation, black business still accounts for less than 10% of the Johannesburg Stock Exchange (JSE).

As for the banks, they simply have not acceded to a scenario where blacks will own 15% of their issued share capital, hence the current stalemate at the Financial Services Charter negotiations.

Notwithstanding the above, there is growing awareness that measures need to be introduced to "expand the pool of beneficiaries", with calls for a more balanced approach to implementing BEE – an approach that elevates management control – as well as the training and development of blacks to positions of greater managerial influence.

The democracy dividend is yet to be experienced by the majority of South Africans, which means the racial characterisation of poverty and wealth in our country still persists.

On the margins

Generally, women, youth and disabled persons continue to suffer exclusion from the shop floor, management positions and the ownership of productive capacity.

Women make up 42% of our workforce, but less than 10% are chief executive officers and

board chairpersons. Just over 15% of statutory directors of companies and a quarter of executive managers in South African companies are women. Since these statistics do not take race into account, I am sure African women constitute a woeful share of these numbers.

Research-based evidence suggests that gender differences in respect of pay are equally lopsided, as indicated by the recent survey of the highest earners and wealthiest South Africans.

Income disparities in our country are completely absurd – by race, gender and class – and current patterns of executive remuneration need a collective review!

Certainly, the government's "Towards a Ten Year Review" produced in 2004 highlighted that we have made faster and greater progress with transformation where the government alone is involved than where the private sector was engaged.

In a study completed some three years ago, it was found that the public sector has been transformed from a white male domain to one dominated by African women.

African women outstrip all other groups and represent 42.7% of the total employees in the public sector, whereas African males comprise 34.5% of employees, followed by white females at 6% and, finally, coloureds.

White males stand at 4.6%, followed by Asian males and females, 1.9% and 1.6% respectively.

Notwithstanding the impressive numbers, however, women's empowerment, according to reports, is not happening in any significant or meaningful way in the departments.

Apart from general policies and practices that affect all staff, there are no specific programmes

that recognise women as a separate interest group with specific interests and needs.

This includes issues related to recruitment, training and addressing the practical needs of women.

Bearing in mind the above, let me start here: we, as custodians of the policy of transformation, must respond to this social injustice – not only with clarity of ideas, but a certainty of intent as well.

While addressing the issue of our political liberation, Professor Ali Mazrui once referred to our democracy as a situation of “you wear the crown, we keep the jewels”. This seemed to be the general experience of much of post-colonial Africa.

The continent seemed to follow the path once described by other African luminaries in the following manner, “Seek ye first political kingdom; and economic kingdom shall follow”!

Accordingly, the issues we are raising speak not merely to representation – important though this is – but to the correction of the general liberation experience on our continent, guided by the unique colonial situation in our country in terms of which political oppression, economic exploitation and gender discrimination had become so enmeshed that it was impossible to even conceive of political freedom without, at the same time, extending it to economic emancipation.

Representation, be it of race or gender, is more than merely a numbers game. Empowerment will not be meaningful if, for instance, gender voices are drowned out by predominantly male cultures.

In this regard, I wish to make a bold and ostensibly controversial statement. I say controversial because those familiar with the policies of the ANC, from which I come, will know that we would often utter such words in hushed tones, as some might consider them to be worse than treason.

Black capitalist class

However, let me say this: South Africa and the South African economy need a black capitalist class; that is, black owners and captains of

industry to partner the government in building the economy.

In particular, we need black, female and young industrialists who will participate actively in the industrialisation of our country, and thus meaningfully transform the ownership patterns of productive capacity.

A core element of our empowerment policy must be to build this class and, to some extent, this has been successful – though, much more still needs to be done.

This, in turn, poses questions regarding the responsibilities of this class, and what values it is going to embrace.



Young Business Achiever and the Businesswoman of the Year:
Trinity Lekwetse Ncala, managing director: T and T Appointments



BBQ Best Established Black Business Award
Kamogelo Mmuntlana, CEO: FleetAfrica



BBQ Best Established SMME

Sibongile Benedicta Maseko, CEO: Bongi-M Construction



BBQ Businessman of the Year

Tsietsi Mokhele, CEO: South African Maritime Safety Authority



BBQ New and Innovative Business

Delani Mthembu, director:
Landelahni Leadership Development

Is there going to be competition within this class to determine who has the biggest fleet of expensive cars, or who has the biggest house in the most exclusive neighbourhood?

Or do we need a different type of ethic, one based on setting a different kind of example as to how success is measured – an ethic based on long-term investment in building a productive and employment-generating economy, such as in countries where developmental states have been more successful?

I think we all know the kind of business leadership this country requires; the question is, are the people in this room (at the *BBQ Awards*) going to be those leaders?

I must hasten further to insist that these are questions that black capitalists should not answer alone, or that do not face them alone, but the rest of the capitalist class in our country.

Bourgeoisie

Early on in the term of the new dispensation, we debated the question of the patriotic bourgeoisie and the following questions were asked: Can the bourgeoisie be patriotic at all?

What constitutes such patriotism? Is race the sole criterion for patriotism?

What would make the black bourgeoisie patriotic and their white counterparts unpatriotic? To be more precise, what would cause the entire South African bourgeoisie, regardless of race, to be patriotic?

Let us try to answer this question by making reference to how the bourgeoisie of other countries behaves or has behaved in a similar situation:

It is becoming increasingly popular for businesspeople and economists in our country to call for more labour market flexibility. Implicitly, and naturally, business wants to employ labour in a way that is more convenient to them and to lower wages for certain categories of workers.

Yet, there is another side to this coin – which relates to the share of the economic surplus extracted by the rich – by senior management. The implicit question is, should top management also be called upon to take a cut to make the economy more competitive?

Cambridge economist Gabriel Palma did a global comparison of how gross domestic



Community Builder of the Year
Dr Morokolo Silas Sathekge
 General manager
 Letaba Helen Frans Bursary Scheme



BBQ Public Sector Visionary
Nkomotane Clifford Motsepe
 Head: Limpopo Department of Co-operative
 Governance, Human Settlements & Traditional Affairs



BBQ New Entrepreneur
Octavia Matshidiso Matloa
 CEO: Mukundi Mining Resources

product is distributed between different classes in society, and his study revealed that:

- As a rule, globally, the middle classes tend to get 50% of GDP. The remaining 50% is then divided between the rich and the poor.
- South Africa is an outlier. The top 10% receives 35 times more income than the bottom 10%.
- In the United States, which is not known for its egalitarian policies, the ratio is around 20 times.
- Globally, the average multiple is around 12 times.
- Our top 10% receives five times the income of the bottom 40%, against a global average of under two.

A case can be made that it is okay for the rich to receive a large share of the pie because they are the class that invests in the economy and ensures sustained growth.

Indeed, many developmental states have been characterised by social compacts, often to some extent imposed by highly authoritarian states, whereby real wages are kept low in order to sustain high levels of investment to build the productive capabilities in the economy:

- In Korea, the rich are still investing over 100% of what they earn into the economy – they are taking on personal debt in order to invest beyond their incomes.
- In India, China and other fast-growing Asian economies, the wealthy are investing between 70% and 80% of their income.
- In South Africa, the wealthy are investing less than 35% of what they earn back into the economy. We are squandering our national wealth on conspicuous consumption.

No wonder we have such a huge income disparity, yet the private sector in South Africa is sitting on 18% of GDP in investable cash that they are not investing.

Can black entrepreneurs orchestrate a change of course in this regard? This is the question!

But, first, we must build more and more black entrepreneurs, knowing that half may or will fail. But others will succeed, and we will meet here such as we are doing tonight to celebrate their achievements.

Congratulations to all the recipients of the BBQ Awards; your success is ours! **BBQ**

Malusi Gigaba



BBQ Corporate Social Investment
Susan Abro
 Chairperson
 Chaîne des Rôtisseurs Foundation Trust

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Close Protection Services (Bodyguard)

Due to the escalating crime rate, there is a growing need in South Africa for close protection security. "Fly by night" operators with the "gift of the gab" often secure contracts at greatly reduced rates. In order to remain financially viable, these operators neglect training and underpay their under qualified personnel. This type of scenario is typical of the private security companies in South Africa and has resulted in the industry as a whole being regarded with suspicion.

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Attracting African tourists

Are we turning enough focus to strengthening tourism ties within the African continent?



Fun, sun and sand

South African tourism bodies and private companies are putting immense effort into building relationships with their counterparts beyond the country's borders. James Seymour, chief executive officer of the Durban KwaZulu-Natal Convention Bureau, believes that South Africa could do more to market to the African continent.

He explained: "It is a region with enormous potential from a tourism perspective. Regional markets will always be critical for economic sectors such as tourism. "A good example of this fact is Europe, where countries such as France and the United

Kingdom rely heavily on their neighbours for lucrative tourism flow."

South Africans, however, do not generally see themselves as part of Africa, according to an impassioned Titus Chuene, marketing manager at Nelson Mandela Bay Tourism, which represents Port Elizabeth, Uitenhage and Despatch in the Eastern Cape.

He cited the difficulty of travelling into Africa as one of the problems facing tourism growth, alluding to the cycling exploits of extreme adventurer Riaan Manser across the continent, and close encounters with death at the hands of some of our less hospitable neighbours.

Ironically, a predominant view exists in Africa that South Africans are xenophobic.

"During the Fifa (Soccer World Cup) run-up, Africa didn't even vote as a bloc," Chuene added.

He has experienced the inefficiencies of African officialdom firsthand: "In Lesotho, I was arrested for driving a minibus without a public driving permit because they thought I was a taxi driver! They wouldn't accept my explanation that I was visiting on business.

"In Mozambique, my minibus was confiscated," he added.

Nonetheless, Chuene has travelled extensively throughout Africa, and will continue doing so.

He observed: "Africa is divided into three, consisting of formerly Muslim, French or Anglo countries, yet Mozambique – which was colonised by Portugal – is one of the most laid-back countries. I'm still trying to work that one out."

Tanya Schmidt, event organiser at Eastern Sun Events in Port Elizabeth, has encountered

regular inefficiencies in the issuing of visas by other African countries. "There are constant delays from embassies in other countries to get visas ready for their countrymen," she reported. "This has often resulted in delayed visas, and delegates cancelling days in advance, especially from Nigeria.

"As African countries develop and stabilise, people are able to consider travelling beyond their borders to come to world-class events."

Schmidt said that travelling costs presented an issue. "Travelling to South Africa from Africa is only marginally cheaper than travelling to Europe in many cases; and in some cases it, is more expensive."

Port Elizabeth, Chuene's home city, has made huge strides in recent years by hosting world-class events such as the Ironman South Africa competition, which attracted many international competitors. The city is making inroads in establishing solid connections with African businesspeople.

In August 2011, the Nelson Mandela Bay Municipality in Port Elizabeth hosted a delegation from Annaba in Algeria. The visit was geared at strengthening a reciprocal partnership. Upgrading the standards of Algeria's hotels forms part of this initiative.

Basic destination marketing is another area being explored. This follows an agreement by South Africa and Algeria to establish a bilateral commission, with President Jacob Zuma being a signatory.

Eastern Sun Events confirmed that South African Tourism (SA Tourism) is playing its part. "They, together with the three international convention centres in South Africa – located in Cape Town, Durban and Sandton – and their dedicated convention bureaus, have actively been bidding for conferences and events to be held in South Africa over the past 10 to 15 years," Schmidt stated.

She added: "There have been great successes, especially in the last 10 years, and this has a long-term effect. The more congresses are held in South Africa, the better South Africa's image becomes. We are able to prove that we can attract and host any congress, and that eliminates the international fear factor."

SA Tourism conducted research into South Africa's markets, which was concluded and released in May 2011. The objective of the research is to capitalise on the success that tourism has achieved within the African market and ascertain what consumers want.

Research findings indicate that tourist arrivals from Africa grew 10.3% annually from 2003 to 2010. Over the same period, Africa's contribution to the total tourist arrivals to South Africa increased from 68.1% in 2003 to 77.0% in 2010.

The average rand value spent per tourist in South Africa has increased across all African markets. Angola has the biggest increase: from R12 900 average value spend per tourist in 2006 to R22 200 in 2009.

"We are not resting on our laurels; there is more to be done," acknowledged Phumi Dhlomo, regional director: Africa and Domestic at SA Tourism.

The tourism body utilises the hub strategy approach, with Kenya as flag bearer for East Africa, and Nigeria for West Africa.

The South African Mantis Group and Nigerian Grand Towers PLC signed a deal earlier this year to develop Nigeria's first luxury boutique hotel in its capital, Abuja. This answers a need for exclusive executive boutique accommodation in Nigeria's bustling cities. Grand Towers PLC is a leading holding company with investments in real estate, communications, information technology, pension funds and the hospitality industry.

"We are delighted to expand into this new part of our beautiful continent, and we look forward to answering a growing demand for exclusive boutique accommodation in this growing and untapped market," said Adrian Gardiner, Mantis Group CEO.

Nze Chidi Duru, chairperson of Grand Towers PLC, praised the partnership, saying there is a niche for intimate and exclusive 5-star boutique hotels, where business executives and government officials can meet and stay without the hustle and bustle of some of the 'main-line' hotels.

The relationship between the Mantis Group and Nigeria was initiated by a South African interior designer who was involved in several

small hotels and grand residences in Abuja. He put Mantis in touch with Chidi Duru, whose vision is to roll out boutique hotels throughout Nigeria's state capitals.

Growth in Nigeria's banking and telecommunications sector has contributed to an expanding need for hospitality establishments, servicing local and international high-end investors.

Grand Towers PLC and the Mantis Group will develop over a dozen luxurious boutique properties, starting with Abuja, then moving to Lagos and other popular locations within Nigeria. The Mantis Group will market and manage the properties, utilising its global sales, marketing and public relations offices in the UK, United States and Europe.

Surprisingly, the Zimbabwe Council for Tourism (ZCT) has reported an increase in arrivals into that country, according to Africa Albida Tourism managing director and ZCT board member, Glen Stutchbury. Arrivals are up by 20% in 2011 compared to the same seven months in 2010 from January to July, with prospects even better for the remainder of this year.

Africa Albida Tourism's flagship accommodation establishment, Victoria Falls Safari Lodge, has enjoyed the best July occupancy in 10 years at 70%.

Bodies outside of tourism are marketing South Africa to its African compatriots. Schmidt cited medical associations that have reached out to African countries. Delegate attendance from other countries is growing.

Seymour concurred: "Business tourists are particularly high-spending tourists. They often return as leisure tourists and spread the word to other potential tourists."

World-class shopping centres are a huge attraction. Sandton City, one of the largest shopping centres in Africa and a South African landmark, bears testimony to this.

"Based on market research, Sandton City has identified that a large portion of tourists visiting the centre are from African countries such as Egypt, Nigeria, Zambia as well as Kenya," said Sharon Swain, Sandton City Centre manager. "Primary factors contributing to the great influx of African tourists is Sandton City's location in

the Sandton central business district, which serves as the business pulse point of South Africa and possibly the entire continent.”

With Sandton City accessible from OR Tambo International Airport within 15 minutes aboard the Gautrain, the centre is extending marketing initiatives into Africa to address shopper markets, particularly during sale periods in January and July.

The centre is negotiating joint initiatives with surrounding hotels to offer deluxe packages to African delegates and tourists.

Sandton City liaises with the Sandton Tourism Association and the Sandton Central Management District, to create synergies and elevate the node as a hub of global trade, trends and thought.

KwaZulu-Natal acknowledges the commercial potential of tourists from Africa. Seymour reported that key private sector partners of the calibre of Southern Sun and MSC Cruises are attracting the African market to this province.

“Landlocked countries like Zimbabwe, Zambia and Botswana have been – and always will be – attracted to a great beach holiday destination,” Seymour explained. This included the business tourism, exhibition and incentive tourism market.

He added: “The African Chapter of the International Congress and Conference Association is trying to encourage African members of professional associations to establish regional association congresses that rotate among African countries.” The Durban KwaZulu-Natal Convention Bureau met in Kenya this year to mobilise a regional strategy.

The Cape Town and Western Cape Convention Bureau promotes Cape Town and the Western Cape as a premier business tourism destination. The bureau assists local associations in bidding for international association conferences, and collaborates with the Cape Town International Convention Centre.

Calvyn Gilfellan, Cape Town Routes Unlimited CEO, said: “The big event to promote African participation at conferences and bringing business from Africa to our destination was the International Conference

and Convention Association African Workshop held in Nairobi, Kenya this year.”

Amanda Kotzé-Nhlapo, Cape Town Convention Bureau head, represented the Western Cape.

As in KwaZulu-Natal, the Western Cape wants African role-players to meet more regularly. Kotzé-Nhlapo confirmed: “Better organisation between role-players in Africa means a bigger share of the international meetings pie for the continent.”

She observed that although many conferences are held in North Africa, there is an increasing interest in the south.

“A big challenge for African associations is limited budgets, compared to their counterparts in the US and Europe. More regular meetings between African associations and

service providers in the conference industry will lead to networking and knowledge exchange, building relationships and boosting the meetings industry in South Africa,” Kotzé-Nhlapo added.

Likewise, Schmidt stressed affordability as an incentive to attract business travellers from Africa. “We compete with Europe. Airlines, especially low-cost ones, have increased their routes and frequency over the last five years; and, in some cases, their costs. This has a direct effect on the numbers entering South Africa.

“The less expensive we make it for them, the easier our task to get revenue into South Africa through business travel.” **BBO**

Samantha Barnes



**Phumi Dhlomo, SA
Tourism's regional
director: Africa &
Domestic**



Seeing green

David Green's leaf collection eyewear is just what the environmentalists ordered

In David Green's ongoing quest for eyewear that reflects the environment through products that integrate nature, he has now launched a completely unique concept.

This revolutionary eyewear uses indigenous tree leaves. These are dried, dyed, then beautifully crafted to fit inside a natural cotton-based acetate material that is hand-made in France. The result is a stunning frame whose design is literally created by nature.

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The leaves are available in various colours and forms, each with its own unique personality. 

www.greeneyewear.com





Zenith of elegance

The Lexus CT 200h is top of the heap

Among the current crop of hybrid cars, Lexus is without a doubt leading the way. Apart from the IS Sedan and the LX full-size SUV, all of its model ranges have a hybrid variant. And all of them offer performance that exceeds what one expects from a hybrid.

The new CT 200h is no exception, offering the Lexus pedigree at a more entry-level cost.

It bypasses the main reason most people decline to go the green route when purchasing cars: most hybrid cars simply are not sexy.

Not so with the new Lexus CT 200h – This baby has the looks. It is quite sporty, with an aggressive stance, and will not see you accused of being a tree-hugging hippie.

Its 1.8-litre engine/electric motor partnership can propel the car up to 100 kilometres per hour in under 10 seconds – quite surprising for a hybrid. But power is nothing without control, and thanks to Lexus' performance-oriented suspension and intuitive Drive Mode Select system, the CT 200h is a very engaging driving experience.

Yet, despite that level of performance, the vehicle consumes just over four litres of petrol per 100km, which is unheard of.

The CT 200h certainly comes out tops in the current green car market thanks to reasonable pricing, great looks, creature comforts and, most importantly, an excellent balance between performance, economy and social responsibility. **BBQ**

The Lexus CT 200h retails from R346 600.

Zaid Kriel

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