

BBO

BLACK BUSINESS QUARTERLY

A celebration of excellence

Prestige, glitz and glamour at the 18th BBQ Awards



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SOUTH AFRICA'S PREMIER
BLACK BUSINESS
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FIRST QUARTER 2020

R29⁹⁵





To make a meaningful impact
you don't just adapt, *you transform.*

At Oceana our core purpose is to impact lives by transforming our fishing resources into shared value, endless opportunities and a sustainable future for all. While some may see just a fishing company, we pride ourselves on being so much more.





Oceana Driving Empowerment, Transforming Lives

The overriding goal of Government is to ensure inclusive economic growth, job creation and meaningful transformation. When delivering the State of the Nation Address (SONA) 2020, President Cyril Ramaphosa made a rallying call to promote sustainable socio-economic development with a focus on youth and women-led businesses and entrepreneurship. Oceana Group, in collaboration with private and public sector partners, is well geared to play its part to provide the impetus that South Africa urgently needs to set itself on a positive growth path.

“Creating opportunities for local communities, generating strong investor returns and environmental stewardship are at the heart of our business. Oceana places a premium on contributing to real transformation of the fishing industry and the country as a whole; while progressively changing the narrative of South Africa’s coastal communities from a position of lack to one of economic inclusivity and self-sufficiency,” says Imraan Soomra, Oceana Group CEO.

Since inception over a century ago, Oceana continues to make great strides in fostering sustainable socio-economic development through job creation, raising rural incomes and transforming lives. Among the greatest achievements of Oceana Group is when the company became a majority black-owned and black-controlled company in 2011. Through a sustainable, black economic empowerment transaction which progressively generates strong investor returns and unlocks value for key stakeholders, we have become one of the first companies in South Africa to transform its ownership structure.

“Oceana places a premium on contributing to real transformation of the fishing industry and the country as a whole.”

It has been 26 memorable years since Oceana Group put to bed its first empowerment transaction with Real Africa Holdings who later sold their shares. This led to the establishment of the Oceana Empowerment Trust (OET) in 2006, for the purpose of acquiring a significant equity interest in the Group and to hold the shares for the economic empowerment of eligible employees. These were the previously disadvantaged black South African employees within the Oceana Group. The OET is the largest 100% black-owned fishing entity in South Africa in terms of ownership value.

Through this empowerment deal, the employees became shareholders with a real and meaningful stake in the business. Brimstone Investment Corporation was roped in to complete the equation, thus forming one of the strongest consortia in the country. The corporation invested R7.5 million into the consortium and Oceana became Brimstone’s anchor investment. This transaction is rightfully counted among the most successful

empowerment deals in the country. Brimstone now holds a 24% shareholding in Oceana and the partnership continues to deliver best value for the key stakeholders.

The OET has a 10% shareholding in Oceana Group with a market value estimated at just under R1 billion. The Trust continues to fulfil its mandate of breaking the chains of poverty, inequality and unemployment, particularly among members of the coastal communities. As of September 2019, 2,447 beneficiaries have received over R400 million through the Trust and also received a monetary dividend pay-out of R28 million during 2019. The OET has since achieved its intended goal of operating for the benefit of black South African employees and continues to make a profoundly positive contribution towards empowering its beneficiaries.

Oceana Group has grown from strength to strength to become a leading global fishing company and the largest fishing company in Africa listed in the Johannesburg and Namibian Stock Exchanges. Having grown into a formidable player in the global fishing industry, Oceana Group has created over 5,000 jobs globally, with about 3,900 employed in South Africa and drawn from across the country’s demographic spectrum. We have 11 production facilities across all our operations in South Africa, Namibia and the USA. This empowered and diverse group of employees manage a fleet of 54 vessels.

This is an illustrious achievement in an industry which pre-dawn of democracy in 1992 had only 1% of fishing rights held by black South Africans. Our B-BBEE score card bears testimony to our commitment to meaningful empowerment and transformation. Oceana Group attained level 1 rating in terms of the Revised Codes of Good Practice; and improved in other areas including management control.

“Oceana was assessed as the most empowered food producer and third overall on the generic B-BBEE scorecard last year. This achievement reinforces the Group’s commitment to real transformation and empowerment and demonstrates our intent to implement government’s policies and objectives on transformation for the benefit of its people and communities, beyond the scorecard,” adds Soomra.

So much has been achieved since the dawn of democracy as we continue to support efforts by Government, through the Department of Environment, Forestry and Fisheries (DEFF) to ensure real transformation by collectively responding to contemporary challenges in a fast-changing world and achieve the exciting future we all envisage.

Oceana Group highly values the contributions of our key stakeholders, such as local communities, employees and customers, towards the company’s success story.

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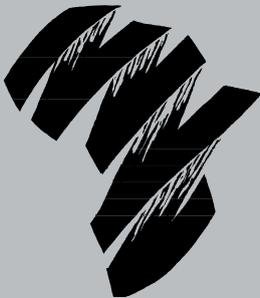
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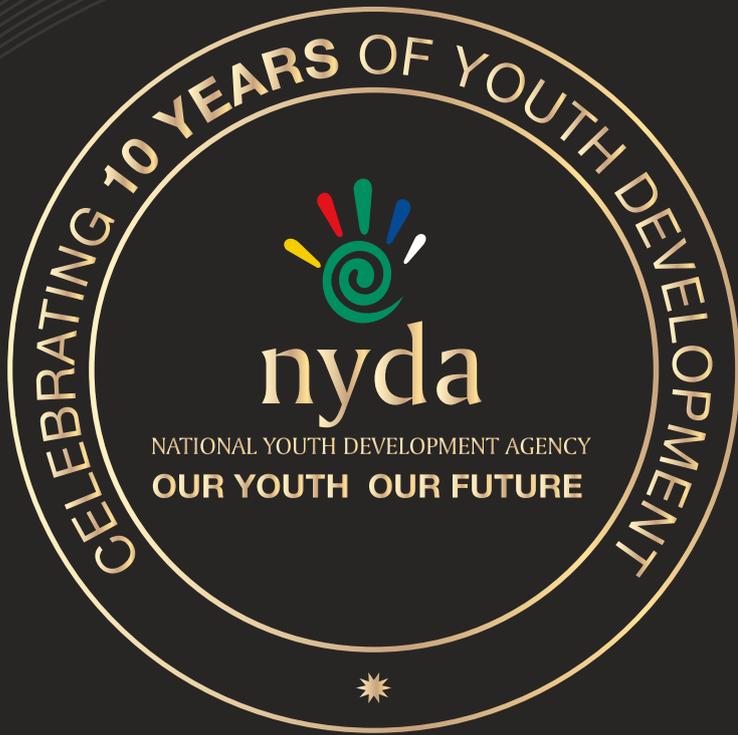
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100% PERFORMANCE
2019/2020 Financial Year

BBQ

BLACK BUSINESS QUARTERLY

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THE MERCEDES BENZ CLS



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Automotive Component Supplier

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EDITOR'S NOTE



As we look forward to the annual glitzy Black Business Quarterly Magazine Awards do, I decided to look at a key phrase and aspect in the Black Community, black excellence. What does it mean? Who does the term refer to and how do we judge and define a champion of black excellence. Does driving a Ferrari constitute as evidence of excellence? Or perhaps does the glitzy life portrayed on social media by a lot of our brothers and sisters serve as black excellence? Ultimately who decides what can be defined as black excellence in our contemporary era?

The Urban Dictionary defines black excellence as; "Someone that is black and portrays great qualities and abilities that make the black community proud."

The argument against this definition has always been that it is then used to praise those that are at the top of the financial structure in the black community or those that follow only a certain lifestyle that the general society would deem excellent. In essence this is a definition that looks at black excellence without context nor soul and perhaps more importantly without input from the broader black community.

For instance if I was to be able to hold down a regular 9-5 job, pay my rent or bond, ensure there is food on the table for my family in very challenging economic times am I not an example of black excellence?

Notable writer Kiri Rupiah's take on the subject is fascinating. He argues: "Survival is excellent when anti-poor "urban rejuvenation" leaves you battling to pay rent only to make way for coffee shops. Excellence is singing, laughing and dancing loudly enough for the neighbourhood watch to keep an eye on you. It's making your mom happy for being gainfully employed and being able to buy groceries when you can. Paying your own way is excellence.

Black people's existence is enough and our successes and losses have context.

It's a constant process of unlearning, but my blackness will be defined only by itself, without explanation and without looking for outside validation. Black excellence is inherent — all we needed to do was be black and alive to ever be enough."

What must we make it of it all then? Perhaps it is high time we started looking at black excellence within contexts. Perhaps excellence must start by doing the simple things right. Perhaps the simple things come from our forefathers who believed in Ubuntu and took it as a blueprint of conduct. Perhaps following that model can lead us all to excellence. It's not the cars or the glitz and glam it's the heart, the sense of community and empowering one another that must constitute as black excellence.

MEKAN Group

In celebrating our 20th anniversary this year the group has grown into a national organisation operating in all business sectors. This milestone could not have been reached without the trust and support of our Clients which has enabled our continued growth. The cornerstone of our success has always been our staff whose hard work and commitment to excellence has ensured that we can always provide our Clients with the expertise to exceed their expectations.



Our service offering has expanded over the years and together with multidisciplinary consulting engineering expertise we also offer Facilities Management and Project Management. This integration of services enables us to provide Clients with sustainable and cost-effective solutions both in terms of integrating our various services as well as innovative engineering solutions for real world problems.

As a 100% black owned, level 1 BBBEE company we believe in developing and empowering our staff to ensure continued service excellence. Our Engineers, Project and Facility Managers are experts in their fields and registered with the various professional bodies that guide their chosen profession and ethics.

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A celebration of excellence

Prestige, glitz and glamour at the 18th BBQ Awards





For the past 18 years the Black Business Quarterly Magazine (BBQ) Awards have celebrated, honoured and recognised the champions of black excellence in South Africa.

In a world constantly in flux where the world is prone to change on a daily basis this awards movement aims to encourage, promote and empower those behind sustainable black owned businesses while driving the transformation agenda. The awards provide a platform for our champions of transformation to shine, in the hope that millions more will be inspired and emboldened by the proof of their success. These are the visionaries whose efforts ensure that the economy evolves towards a truly representative state, all the while creating jobs that enable the mothers and fathers of the nation to put food on the table, educate their children and cultivate their own entrepreneurial plans.

Widely recognised as South Africa's key black awards function, the BBQ Awards is attended by more than 1 000 of South Africa's most influential black business people, entrepreneurs, and industrialists. This prestigious event on the black business calendar has been addressed in the past by Minister Susan Shabangu, Minister Jeff Radebe, and businessman Tokyo Sexwale, to name but a few.



A celebratory night requires personalities that bring the event to life. In this spirit the MC on the night is Comedian, actor, businessman and cool dad extraordinaire, Mpho Popps Modikoane. With a great local and global appeal Popps packed venues and line ups from his debut one man show "Exhibit A", his annual "Mpho Popps Birthday Comedy Special", Blacks Only, club tours and festivals where he solidified his mark on the industry by leaving sore abs



all throughout the country. This then earned him a nomination for the first ever, Annual Comics Choices Awards as best newcomer where he went on to win the award for "Break through act" the following year.

Popps has the ability to make real life situations relatable and interesting through humour. He combines his intellectual wit, and plug on pop culture to create a world filled only with laughter. His goal is to spread laughs and bring joy to audiences around the world.

Entertainment on the night will be provided by the world famous Ndlovu Youth Choir and TV personality and radio host, Lerato Kganyago. It will be an unforgettable night full of life, celebration, glitz and glamour with a sumptuous menu to complement.

The *BBQ Awards* prides itself on selecting organisations and individuals at the forefront of transformation, those who set the pace and make a lasting impact in their chosen fields. As we all know, the standard of any award ceremony is determined by the quality of entries and the judging process.

By virtue of this the event organisers are proud to say that over the years they have had experts and professionals from across industry and this year is no different.

Many doors have been opened for previous winners and nominees of the *BBQ Awards* due to the rigorous and

independent judging process. Once the final three nominees come through and the winner is announced on the evening, you can be sure to know that the individual or organisation went above and beyond what was necessary to achieve transformation.

Robert Arendse, Managing Director of Kaqala media, the Publishers of *BBQ* and custodians of the awards gave us a brief take of what to expect at the 2020 edition.

As the organisers of the event can you tell us what you aim to achieve at the 2020 edition?

Recognising and celebrating excellence in transformation. This evening is the culmination of a year's hard work. From the first nomination coming in to the moment the curtain will go up. My wish for everyone at the event is an evening of unadulterated fun and enjoyment.

What can the attendees look forward to this year?

The entertainment is nothing short of phenomenal.

What would you consider as the key highlight of the 2020 edition?

Securing the Ndlovu Youth Choir.

What can we expect from the BBQ Awards in the future?

Bigger, better and bolder. See you at the next one!!!!

Winners categories to look out for:

- Best Employer of the Year Award
- Young Business Achiever Award
- Emperors Palace Community Builder of the Year Award
- Sentech Digital Transformation Individual of the Year Award
- Mercedes Benz Outstanding Woman in Business Award
- Hennessy Businessman of the Year Award
- Comair New Entrepreneurship Award.
- Organisational awards to look out for:
- CSI Ubuntu Award
- Trade & Investment KZN Black Industrialist of the Year Award

- Transformation Champion of the Year Award
- LTE Holdings Best Established Black Business Award

The *BBQ Awards* will be broadcast live on the Internet. This initiative will ensure that the public and invited guests can follow events as they unfold. Not a minute will be missed, and not a word said will be left unheard. **BBQ**

Evans Manyonga



As young woman and coordinator of such a prestigious event I've come to realise that the *BBQ Awards* is a vibrant platform with live music in which our black pioneers and upcoming achievers can connect and build relationships with other entrepreneurs in the world of business. The event is an upmarket showcase that will provide an enabling environment in which young achievers can experiment, learn, teach, adopt, adapt, own and guide themselves through an exciting world of future opportunities. As I start this year of 2020, I would like to make my mark my owning my excellence in transformations.

Sibhiyozela ukugqwesa kwezeenguqu





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Modern Centric believes that the biggest contributing factor to any entity's success is acquiring the best personnel for their business. We source and provide the right fit for you in the shortest possible time.

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Industries we serve:

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- Corporate
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Why appoint modern centric

- Cost effective pricing model
- Procurement from a 100% black owned level 1 company
- We have an empowering Supplier Development status
- We are a Black Owned Exempt Micro Enterprise
- Expert guidance to improve your skill development rating on your B-BBEE scorecard
- We are an experienced and competent black economic empowerment organisation
- The company owner is hands on and leads the team by example
- We are client service orientated company
- We offer innovative solutions to our clients



Five skills brand managers need to survive the 4th industrial revolution

There have been plenty of predictions surrounding the fourth industrial revolution (4IR) and how it will impact various industries and the future of work. There's no question that the digital era has caused major disruption in many industries—from Airbnb's impact on the hospitality sector to the way Uber and Bolt changed the face of transport.

According to the World Economic Forum (WEF), over one-third of skills (35%) that are considered important in today's

workforce will have changed by 2020 – and brand management is no exception.

While professionals may feel exempt from having to worry about the changes that 4IR brings, the reality is that anyone hoping to not only keep their job but progress in their career will need to upskill to stay ahead of the curve.

Shevon Lurie, MD at Vega (a brand of The Independent Institute of Education – The IIE) provides the top skills that brand managers of the future will need to survive and thrive in the future.

1. Creative strategic thinking

It used to be that 'strategic thinking' and 'creativity' were considered two separate skills on either end of the spectrum, with creativity being more of a priority in artistic fields like design and photography and less so among those responsible for 'steering the ship'.

However, brand managers in the 4IR will need to understand the importance of tapping into their creativity to generate and execute ground-breaking strategies, ensuring the brands they manage remain





relevant while always being a step ahead of its competitors.

2. Complex problem-solving skills

From finding ways to engage with a new generation of consumers who are worlds apart from their 'baby-boomer' predecessors to keeping up with the latest social media content trends, brand managers will need to think on their feet to stay afloat.

Managing a brand in the digital age involves navigating an ever-evolving landscape of challenges which requires the ability to look at problems from different vantage points while taking a number of factors into consideration. Complex problem solving is one of the WEF's top 10 skills for the fourth industrial revolution, not to mention a core focus of The IIE qualifications available to study at Vega. You'll need to have a good understanding of the world and how it works in order to find the innovative solutions for brands of the future.

3. Social awareness

To understand the world around them, brand managers will need to keep a finger on the pulse of their consumer market. According to a recent study, 64% expect the brands they support to take a stand on social issues – Colin Kaepernick's ad

campaign for Nike is a great example of this, where the brand stood in support of a social movement that many of the consumers in its target demographic felt strongly about.

This involves having a good understanding of the moral, social and cultural circumstances and real-world contexts that impact society, which comes down to research, observation and dialogue in order to earn the respect and support of today's consumers.

4. Understanding digital platforms

Most people are aware of Facebook and the many other popular social media platforms that people spend their time on, but a brand manager's job is to unpack the potential of these channels for the benefit of their brand.

While algorithms and software can be helpful when it comes to gaining important insights, they are simply tools at a brand's disposal and no match for the expertise of a human being.

This is where brand managers come in—they will need to be able to take these insights, add this to their unique understanding of the power of digital platforms, and turn all of this into a meaningful outcome for a brand.

5. Passion

As the industry continues to shift and change shape, the one 'skill' that every brand manager needs to hold on to is their passion and drive to succeed. While it may seem obvious, it's easy to get lost in trying to survive the 4IR.

A brand manager of the future will play an important role in ensuring that a brand adds value, makes meaningful contributions to the world and takes accountability for its every decision and action. Brands have the power to influence and affect change, and brand managers hoping to survive in the future will need to hold on to these ideals more fervently than ever.

The 4IR has already significantly changed the landscape of careers, work and the future. While somewhat uncertain, it will be bright for those who invest in themselves. **BBQ**

To find out more about many industry-leading IIE Brand Communication and Brand Management qualifications available to study at Vega, visit www.vegaschool.com. Apply for a wide range of world-class undergraduate and postgraduate qualifications for 2020 at the only brand-focused school in the country.

State capture to state rapture

Saying YES to sustainable economic growth & transformation in uncertain times

South Africa was once revered as Africa's economic powerhouse, boasting sophisticated first-world financial markets and a fast-paced emerging economy all under the hopeful banner of the 'rainbow nation'.

The nation also managed to grow itself into an entrepreneurial and diverse investment environment with a global competitive edge and opportunities for its youth.

However, we've faced a tough 10 years on the back of lagging economic growth, fatigued business and consumer confidence as well as rising unemployment under the cloud of state capture that, according to President Cyril Ramaphosa, cost our economy upwards of R500 million. The most pressing of these issues is the high unemployment rate of over 50% plaguing the country, undermining the nation's National Development Plan and adding to the woes of Black youths who must also deal with hostile living conditions and high travel costs to the economic centres of activity.

This presents a ticking-time bomb for the country when young people cannot get the opportunities to nurture their career development and eligibility to enter the labour force. The Youth Employment Service initiative is a business-led collaborative with government that was launched in 2018. The aim of the initiative is to create a million job opportunities for the youth, offering a minimum monthly stipend of R3,500.

The new DTI B-BBEE codes envision creating jobs for young people in all sectors by giving them critical skills to either gain experience for the workplace or drive innovative business solutions they can take

back to their communities. Around 400 companies have already taken advantage of the new benefit.

For the businesses to get bumped up a level or 2 the initiative focuses on priority elements: Ownership, Skills Development and Enterprise and Supplier Development. Where there is no black ownership, the average calculation of sub-minimums will be applicable and if the measured entity meets the minimum number of points under Skills Development, they will be able to participate under the YES initiative.

However, even if a business has no black ownership it can still qualify for the YES benefit, although many businesses struggle to see the benefit of the YES initiative and how to implement it in their business. When young people gain the opportunity to be exposed to the workplace through the program, they get practical work experience along with soft skills such as confidence, discipline, work ethic, accountability and interpersonal skills.

The YES initiative is not just about upskilling young people for employment but also to help them to become job creators and innovators by creating businesses that can service and uplift their own communities. Entrepreneurship in an economy experiencing jobless growth does two things according to the YES program. It can cultivate a strong work ethic and develop life and professional skills among youths with no employment opportunities elsewhere.

It also stimulates economic activity without resorting to inefficient top-down job creation schemes from government. Entrepreneurs take advantage of market gaps by developing goods and services to the benefit of consumers and, in the case of

social enterprises especially, wider society. This is the key to re-engineering jobless growth, creating new markets and stimulating economic activity. Traverse Advisory, in conjunction with the YES Initiative, held an information session for a number of business owners on the opportunities that YES can offer in terms of contributing to sustainable economic growth and transformation.

CEO Dr Tashmia Ismail-Savile says the incentive has proven popular with businesses across the spectrum and that they regularly field questions related to whether businesses with limited black ownership can participate. The incentive has a number of multi-nationals and family-owned businesses which have participated in YES and received their B-BBEE level-ups.

A 'first chance' is often all it takes to unleash the potential of a young person. YES focuses on previously disadvantaged youth and gives them the chance to demonstrate their abilities, establish their work ethic and prove their worth.

The end result of the work experience is a CV, a reference letter, credibility and an empowered young person who has access to a digital platform to gain future work or entrepreneurial journey.

YES has created over 31 000 jobs with over 550 businesses participating and over 100 having received their B-BBEE level-ups already. R1.4 billion in youth salaries has been generated through YES, making the initiative the highest impact social initiative in the world, be part of the change you want to see.

YES is an opportunity for business to be part of the change they want to see, where together with government and labour, we transform South Africa's skewed economic reality. **BBQ**

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Beyond ticking the transformation box

Evon Jeewan, Principal at Bravura, an investment banking firm specialising in corporate finance and structured solutions services now in its twentieth year, considers what South Africa needs to bring about real transformation of our banking and financial services sectors.

Across the globe, CEOs from some of the world's largest banks and financial service entities are vocal about the need for transformation. Yet in reality, the sector globally displays sluggish results in transformation. In South Africa, there are differing views on how far our financial services entities and banks have come and what requires remedy. Could it be that in terms of transformation we are failing to focus on what counts?

So asks Evon Jeewan, Principal at Bravura, an investment banking firm specialising in corporate finance and structured solutions services now in its twentieth year. "Financial services organisations around the world seem to have a struggle with translating what is termed diversity and inclusion (D&I) strategies into action. Recent research by PwC which spanned five geographical regions and over 14 countries indicated that while 80% of organisations stated that D&I was a priority area, 40% of respondents believed that diversity was still a barrier to employee progression. Other research by Deloitte points to a show of willingness from the world's CEOs in articulating this as a priority area (with a 32% jump from 2014 to 2017).

Unsatisfactory implementation

Jeewan says, "In reality, the picture is quite different as evidenced in the recent request by the US Congress for 39 of the country's largest financial institutions to quantify their D&I policies from 2015 to the present day. This was as a result of data indicating that female representation in financial institutions had remained unchanged since

2015 and Black women representation had decreased from 6.5% to 6.3%."

Further research indicates that in the US financial services industry, Black women represent one in five employees at entry levels, but they virtually disappear from representation at higher levels. Within 39 financial services companies surveyed in the US in 2017, only 10 Black women were in



C-suite roles. And on the global stage, only 19% of top executives are female in the financial services sector.

In South Africa, banks control in excess of R5 trillion in assets. The six largest banks control 91% of these assets. Our financial system is ranked 18th out of 140 countries in terms of the soundness of banking in the World Economic Forum's 2018 Global Competitiveness Report.

South Africa's contested space

But whether or not the financial services sector is meeting South Africa's transformative mandates and policy requirements remains a contested space, with different interests presenting differing views. For example, a 2017 Financial Mail ranking survey of 465 stockbroker analysts found that only 18% of stockbroker analysts were women and 14% were black women. A survey by 27four Investment Managers that measured transformation of the financial services sector revealed that of R4.6-trillion industry assets, only R415.5-billion (just 9%) is managed by black firms.

The Association of Black Securities and Investment Professionals states that it wants the financial services sector to be more reflective of South Africa's demographics and should be radically transformed. Meanwhile, the Banking Association of South Africa reports that there has been a 26% increase in the number of black board members from 2016 to 2017, with a 40% increase in the number of black women at board level.

Strategies to develop women

"Particularly in South Africa's investment banking sector it remains a challenge for young females to get a foot in the door of the investment banking industry," says Jeewan. "In practical terms women – especially so Black women – still have to work a great deal harder to carve a place for themselves in investment banking which remains male dominated."

Jeewan adds that at Bravura they've seen an organic skew towards male employees which she believes is the result of a recruitment pipeline in South Africa that continues

to attract and produce male candidates. To remedy this, the company is actively searching for female candidates at all levels.

Additionally, Bravura has a graduate programme aimed specifically at attracting young, talented, Black female graduates, and designed as an intensive programme



in which the newly-qualified graduates are expected to become active members of the corporate finance team. Selection criteria requires that the candidates are strong all-rounders, having produced exceptional academic results in parallel to leadership accolades. Jeewan adds that the calibre of applicants received indicates that there is ample talent out there.

"Last year Bravura selected two graduates who are now working with – and learning from – the Bravura team for a period of twelve to twenty-four months, with the hope that they may become full-time employees at the conclusion of the programme.

"This year, both graduates will be undertaking the JSE Supervisory Development Programme (SDP). Although fast at integrating themselves into the team, becoming involved in live deals and taking on everything at once, it is up to us as mentors to guide and pace them. It is very difficult for non-CAs from different academic

backgrounds to break into the Corporate Finance market. The Bravura graduate intern programme aims to bridge this gap and provide the opportunities for talented, driven youngsters from slightly different academic backgrounds to move into the mainstream investment banking space."

Beyond ticking boxes

But, says Jeewan, if companies are committed to speeding up transformation of the investment banking and broader financial services sector they need to move beyond a tick box mentality. "Companies should be adopting initiatives that focus intensively on the individual's ability and potential growth in a meaningful way that meets their specific needs."

Transformation, concludes Jeewan, needs a concerted effort by multiple parties, from pipeline through promotion to independent dealmakers and support and mentorship must be undertaken with a long-term view. "We need to focus on innovative transformation strategies and their implementation now, rather than mulling over the numbers. If we can make this happen as a sector, then we are on the right track to bringing about true and sustained transformation." **BBQ**

Evon Jeewan

New kids on the block

MASA Risk Advisory Services on finding new ideas in an old industry

Auditing has always been a tough industry to break into for new businesses, especially black-owned businesses. It is a market that is very well established with the “old boys” generally dominating the industry.

BBQ magazine sat down with Emma Mashilwane, co-Founder and CEO of MASA Risk Advisory Services to see how she has successfully penetrated the market and what her goals for the future are.

Could you please give us some background on your working and educational history?

I completed my matric at St Mark's College in Jane Furse, Limpopo and went on to register for a BCom degree at the University of Cape Town (UCT). Unfortunately at the end of my second year, I was financially excluded and came back to Johannesburg to look for a job.

I was fortunate to secure employment at Standard Bank within their Retail Finance department and by 1997 I managed to settle my outstanding fees at UCT. This allowed me to get my credits and transfer to UNISA. I graduated in 2001 and started my CA articles with KPMG in the same year.

Post articles I worked for various companies including Jasco Electronics as a Group Finance Executive before being headhunted in 2006 by Denel Optronics, which was later sold out to Carl Zeiss Optronics and from there I joined Masana Technologies as their CFO. In 2009 I re-joined KPMG and 2 years later I was headhunted to join Nkonki Inc to revive the Internal Audit division. I had 7 successful years as the Head of Internal Audit at Nkonki which saw the portfolio for Internal Audit grow from a small revenue base to servicing complex clients across financial services, mining, state-owned entities, insurance, medical schemes to name a few.

I am also a Non-Executive Director a Tiger Brands and Chair the Audit Committee, Famous Brands and I chair the Remuneration Committee and recently I have hoined the board at Capitec.

Talk to us about MASA Advisory Risk services, when it was formed and how business is going at the moment.

Throughout my career, I have always lived by a quote from Lao Tzu that says: “A journey of a thousand miles begins with a single step”. In May 2018 I took a leap of faith and co-founded MASA as the majority shareholder and CEO, driven by my passion to positively contribute to the auditing profession through creating a platform



Emma Mashilwane, co-Founder and CEO

to develop the next generation of Chartered Accountants, Certified Internal Auditors, Certified Information Systems Auditors, Certified Fraud Examiners and the list goes on.

MASA means “DAWN” in my home language of Sepedi which signifies a new beginning for all of us in the firm, and also reminds us that every day we need to reflect on the foundational values of integrity and trustworthiness, we all subscribe to as professionals.

It has been a tough journey but extremely fulfilling. As a start-up we experienced a lot of challenges but overall I continue to be humbled by the manner in which MASA has been embraced in the market. We have approximately 25 permanent employees with a credible track record spanning private, listed and state-owned entities operating across financial services, logistics, real estate management and aviation industries. We are accredited by both the South African Institute of Chartered Accountants (SAICA) and the Institute of Internal Auditors of South Africa (IIASA) as a

training office providing articles for graduates pursuing a career in Chartered Accountancy (with a specialisation in Internal Auditing and Risk) and Internal Auditing.

Please tell us more about the services you offer and why?

MASA is made up of two firms, MASA Risk Advisory Services which is a boutique firm providing internal audit, IT assurance and advisory services, and MASA Chartered Accountants Incorporated, which is an external audit practice registered with the Independent Regulatory Board for Auditors (IRBA).

Most of MASA Risk's clients are not new to me and some I have journeyed with since 2011. I have invested time and energy into understanding these clients, their strategies and processes, and I continuously engage with them to ensure that our internal audit approach is still relevant.

As we enter the year of 2020, what would you say are your goals for this year and what are you most proud of about 2019?

The highlight of 2019 was being reappointed by one of our biggest clients, being able to attract more clients and just seeing the MASA team embracing our value of innovation through implementing various innovative ideas to enhance how they conduct audits. We also solidified our partnership with the University of Johannesburg (UJ) School of Accountancy which is the biggest feeder for our Traineeship programme.

In 2020 we are looking forward to adding more University collaborations to expose the MASA brand to students and of course prospective trainees.

As a majority owned and managed black female company, what are the benefits and do we see enough such companies in South Africa?

Women make up approximately 51% of the South African population but it's sad that their businesses are still not being taken seriously, but if you walk around the streets of Johannesburg and even my village in Limpopo, most of the informal business are successfully run by women, yet we are still having a discussion around whether there are benefits to majority black female owned businesses.

Of course there are benefits, black females (and women in general for that matter) are surely the cornerstone to our economy. I know this might sound philosophical but women bring different dynamics, thinking and discipline to the table. In our nature, we are resilient beings and will always go the extra mile.

What sets MASA Risk Advisory Services apart from its competitors?

We are approaching two years in May 2020 so brand visibility and exposure is still a very key focus.

One thing that probably separates us is that on day one we took quality of the work we deliver to our clients very seriously. To support our quality approach, we have developed a detailed Risk Based Internal Audit Methodology with templates embedded in our in-house developed My Audit Tool, which covers each stage of the audit lifecycle to guide our teams on how to conduct audits.

Secondly, our teams have really embraced technology in conducting audits. All our team members run data analytics for all audits to give insights on the risk areas for focus. We are at present in the final stages of a Proof of Concept for our Robotics Process Automation.

Lastly, there are not a lot of black small firms that have managed to crack entry into the listed entity space. In two years, we are proud to say approximately 60% of our client portfolio comprises of JSE listed entities.

How has the 4th Industrial Revolution affected (positively or negatively) your business and the way you do business?

I guess we need to embrace 4IR because it is here. For me, I see so many opportunities that will enhance the way we conduct our audits. I am not a fan of paper so using technology as an enabler for audit efficiency is a huge opportunity.

Introducing Robotics in our audits will definitely give us an opportunity to focus on analysing results and connecting the dots to assist our clients create value rather than the tick-box approach of the past but it means we need to change the way we train our staff.

Implementing Data Analytics will enhance our ability to bring insights and make sense of data and risks. There are huge opportunities to learn and at MASA we fully embrace 4IR, but of course we still have to make some significant investments to make sure that we are fully aligned.

Tell us a bit more about yourself, your hobbies and most importantly, your leadership style?

I am originally from a village called Ga-Marishane in the Sekhukhune district of Limpopo. Both my parents are trained teachers but my dad quickly abandoned the education road and worked for the SABC. My mother on the other hand is a celebrated teacher in Limpopo.

In between work and being a mother, I am very involved in my church and I am an avid runner. I am currently training for my first Two Oceans Marathon 56km and Comrades Marathon which has been fun but gruelling.

My leadership style has evolved throughout the years. Earlier in my career, I was very autocratic and highly demanding but nowadays I let the team run with things and only intervene at intervals to check that client deliverables are still on track and of the right quality standard. I have really embraced the approach that "Leaders develop other leaders" because it allows me time to explore new opportunities and to create a sustainable firm. 

The business of books

In his State of the Nation Address on 20 June 2019, President Cyril Ramaphosa underscored the importance of ensuring that all South African children learn to read. “If we are to ensure that within the next decade, every 10-year-old will be able to read for meaning, we will need to mobilise the entire nation behind a massive reading campaign. Early reading is the basic foundation that determines a child’s educational progress, through school, through higher education and into the workplace.”

The President said at the time “All other interventions—from the work being done to improve the quality of basic education to the provision of free higher education for the poor, from our investment in TVET colleges to the expansion of workplace learning—will not produce the results we need unless we first ensure that children can read.”

One man who has been working tirelessly towards this goal in an entrepreneurial fashion is publisher and author Bonga Zondo. *BBQ* spoke to him to find out more about his story.

Please tell me a little bit about your background and how you became a language worker.

I am a qualified journalist with a three-year national diploma from ML Sultan Technikon (Durban University of Technology, DUT). I have worked for three indigenous language newspapers as a sub-editor (lay outting and designing newspaper pages; including correcting grammatical errors and putting headlines). The newspapers are Ilanga, Isolezwe and Ukhasi. In 2015, I started my



small publishing house called Culolesizwe Press, and I am based in Klaarwater (township) about from Durban in KwaZulu-Natal. Culolesizwe is literally translated as “national anthem”. The reason behind the name is that a national anthem is like a prayer or a dream for the nation. Through our books, we wanted to socialize the youth

into aligning their individual dreams to the dream of the country. When they do that, they automatically become patriotic or at the least, they become good citizens. When you are a good citizen you would not do things that pull your country back. South Africa has an unacceptably large number of young population in the country’s prisons.

The company's vision is to see fewer youth ending up in prison through education via our books and campaigns.

**How did you get into publishing?
What is your publishing strategy?**

In my third final year at the technikon, I was required to do a compulsory internship with any company. So, Umsinsi Press (a book-publishing company based in KZN) roped me in. Most of the time I leaned more on the book writing and editing side. At Umsinsi Press I became an editor for isiZulu books, and I assisted the publisher in many titles, and also did translations.

Casually I worked for Nelson Rolihlahla Mandela School of Medicine as a field worker in many researches and doing translations for the Department of Medically Applied Psychology, Department

of Psychiatry, Department of behavioural Medicine, Department of Occupational Health, and Department of Family Medicine.

I have written books called *Gone to Earth and Potato Dance*. For me, *Gone to earth* surpassed my expectations as I had written it with a goal of getting rid of the pain that was stuffed in me about my family struggles. It went beyond the basic therapeutic mission, as it received a lot of media coverage, and royalties were good.

The Nation Building Reading Initiative is my national campaign of instilling a culture of patriotism and good citizenry into young people from their adolescence throughout their youth with a goal of creating a stable and a socially-cohesive nation. The initiative is made up of seven booklets. They are entitled *We are one: Every race has its human right; Flames of Anger: The birth of*

a new youth; Thornydale, my foot!: When a community decides to act; We were friends: Blessers must fall!; Roar of Life: A lesson well learnt; South Africa, a land of golden hearts: Short stories; and Crazy Dogs of Shallowville: A township fable. I ran out of funds when a huge bulk of my books were poorly printed and were not acceptable to libraries. But they still need the content.

**What is the demand for books in South African languages other than English and Afrikaans?
What are the challenges facing publishers in this regard?**

There is a huge demand of indigenous language books. Unfortunately most South Africans are not fond of reading, or should I say, the books are not adequately marketed. Printing costs are extremely high as well.



Bonga Zondo (front centre, kneeling) with the dti delegation at the Berlin Book Fair



How healthy would you say the reading culture is in South Africa generally? Are there enough books for children and young adults being published in isiZulu and isiXhosa? What about the other languages with fewer speakers, such as Tshivenda?

It is not healthy at all. The interest of many is more on social media than anything else. There, least interest is given to grammar and suitability of the content. There are no controls or should I say, regulation is not properly done.

I do not think there are enough books in isiZulu and isiXhosa. Publishers focus more on making money. Most of what they release is guided by school syllabuses. Books that are aimed at creativity or helping the child release creative juices, from her mind, are scarce.

Those languages are worse because they do not have a lot of audience. For instance, it is very difficult to find a Tshivenda book in Western Cape, KZN, Eastern Cape, Northern Cape, North West, Gauteng, maybe in Mpumalanga. The Tshivenda books are mainly in Limpopo.

Who are some up-and-coming authors writing in mother tongue that we should know more about?

Nomkelemane Langa used to work for 1KZN TV as a presenter of traditional music genres of Southern Africa. The genres include Maskandi, Scathamuya, Mqgashiyo et cetera. The man is a well-gifted writer and imbongi.

MaSikhakhane is a sangoma that used to have her weekly shows at VUMA FM. She has released a book called Yimi Nawe Thona Lami and has an English version that is not yet published. The English version is called Two Worlds, One Soul.

Nhlanhla Mathonsi is not yet published but he has a lovely script.

When it comes to rendering texts from a language like isiZulu into a “mainstream” language like English, the task of the translator is extremely important. Do you think translators are sufficiently appreciated in this country?

I do not think there are enough translators with the skill to do justice to texts produced in SA languages. The fact is that it is not that problematic when you are translating a report of anything that is not creative writing. Poetry and novels need advanced translators who would empty themselves of themselves and live through the eyes of that author, and fight off temptations of righteousness or perfection. For instance, a translator may not be sympathetic to Judaism or Islam or Christianity or Buddhism or African religion, as the case may be, but when it comes to translations you need to “throw yourself or your beliefs away” and live in the body of the character, and have his beliefs instilled in you before you even rush into translations.

Please tell us more about your experiences at the Frankfurt Book Fair in Germany.

As we are faced with challenges of Fourth Industrial Revolution (4IR) we have no option but to be flexible, and adapt to the new ways of living. Nothing stays static forever, and being a successful entrepreneur needs one to embrace changes, and not to be complacent in this ever-revolving earth. Therefore, my primary purpose was to learn new ways of doing things in publishing and to check out innovations in the publishing sector, in order for me to make it in the world. Network, networking, and more networking have become crucial in our modern world.

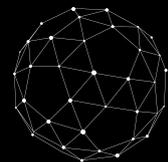
Gone are the days where we lived in our small worlds and survive, and it means that the world itself has gone smaller, and we only need to reach out to each other. The third thing was to look for partnering with international publishers in some of my publishing projects. Lastly but importantly, what I was hoping to achieve was to use this global platform, enabled by DTI, to showcase my locally brewed books to the world.

I had three formally arranged meetings; and more than ten informal meetings. I would say that they were very profitable from my side as a new kid on the block in the publishing sector. I managed to arouse interest to other companies within the sector, and these meetings have produced follow-up communications which, I believe, shall in turn create partnerships. The fruits of this participation in this glamorous event shall be seen and touched in the near future. There was interest in translating some of my books into German and French. The approach was simply; I had to know how I am and where I come from, and dream a realistic dream. As Rome was never completed in one day so my strategy was to accept the fact that I am still small, and that I want to grow businesswise. My approach was to be humble at all times, and be willing to learn from others in other for me to eventually make it out there. Being there was like being in a fountain of knowledge with an expansive range of innovative exhibitors to learn from. 

Greg Penfold



CONNECTING
AFRICAN
COMMUNITIES



REALISING CONTINENTAL POTENTIAL

UNLOCKING AFRICA'S POTENTIAL

BUILDING INFRASTRUCTURE TO
ENHANCE THE LIVES OF OUR
PEOPLE IN AFRICA, THROUGH
INNOVATIVE SOLUTIONS THAT
SUSTAINS COMMUNITIES TO
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ENGAGE WITH A COMPANY
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Leading the way in electronic communication

SENTECH is a premier digital content delivery solutions provider. The Company is committed to providing the country with world class and quality solutions that will transform citizens lives, through intelligent connectivity tailored for all sectors in rural and underserved areas. SENTECH provide innovative digital solutions that creates smart communities by connecting customers anywhere at any time.

"We are evolving to meet customer needs and provide universal access to connectivity", says Mlali Booï, SENTECH CEO.

As a key industry player in telecom-munications and multimedia markets, SENTECH enables broadcasting and digital content services to corporate institutions, government departments and state-owned entities.

SENTECH operates 367 terrestrial broadcast sites and a satellite platform to provide signal distribution services for television and radio. SENTECH has infrastructure that provides up linking and down linking of programmes via satellite and can be used for bi-directional communications as well as for DTH (direct to home) broadcasts. Our masts at high-sites are used for the broadcast of television and radio to the public. These facilities are also utilised by other telecommunications services providers such as

cellular phone operators, wireless internet service providers, government entities and private telecom-munications companies.

SENTECH is licensed to provide Electronic Communications Network Services (ECNS) and Electronic Communications Services (ECS) services.

SENTECH's business model has been segmented into three service offerings, namely:

- Content and Multimedia services: Services which cover broadcasting signal distribution for Television and Radio, including business television delivered via satellite. Other value-added solutions that form part of this include over-the-top (OTT) services, Digital Radio (DAB+), broadcast monitoring and syndication, and hybrid



Mlali Booï, SENTECH CEO.

broadcasting such as HbbTV and Hybrid Radio.

- **Managed Infrastructure services:** SENTECH has vast experience in managing different types of networks, from broadcasting to telecommunications. SENTECH has built up capabilities in network design, deployment, operation and maintenance. With a number of high sites across South Africa, SENTECH's facilities leasing is an attractive option for Telco's to co-locate their equipment. The facilities leasing and managed services offerings are collectively referred to as managed infrastructure services.
- **Connectivity services:** The company has positioned itself as a public sector broadband organisation focused on closing the broadband access gap, especially in underserved areas. SENTECH plays a significant role in the implementation of SA Connect, a government project whose objective is to connect schools and clinics to broadband. SENTECH has recently launched its broadband service, SENTECH CONNECT, that aims to transform citizens lives through intelligent connectivity tailored for all sectors with a sharp focus on rural and underserved areas. SENTECH CONNECT provides fast and reliable connectivity platforms for services such as e-health, e-learning and e-government services.

Social and Economic Transformation

SENTECH contribute to the social and economic development of South Africa through schools connectivity and community social programmes in underprivileged communities. The company has also established and funded a programme to provide extra Maths and Science classes to 300 learners from Grade 10 to 12.

Enterprise and supplier development also form part of SENTECH's transformation and development mandate. Through its ESD initiatives, the company stimulates the growth of small and medium enterprises, creates jobs and provides critical ICT intensive

skills for the economy. So far, SENTECH has incubated and partnered with start-ups and SMMEs in gaming, drone technologies and coding.

SENTECH has also partnered and collaborated with three universities the University of Pretoria, University of Witwatersrand and University of Cape Town to sponsor research and bursaries for undergraduate and postgraduate students in the electrical engineering field.

The company also runs internships through the MICT SETA to assist graduates

coming into the working world. They have employed 62% of the 220 students that have been part of this programme over the last 10 years. [BBQ](#)

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Academically business-minded

No donations, no government stake, no investor funding. UIGC generates its own revenue. With the unemployment rate standing at a staggering 28.30 and estimated to rise to 29.00, it is clear that people need to do more than read the statistics and blame the government. Educating the youth is the first step towards eradicating poverty, this is what led the University of Venda to establish UIGC, whose mandate is to ensure that they generate revenue, which they can plough back into empowering the university and students.

Chief Executive Officer of Univen Innovative Growth Company (UIGC), Dr John Madau is no stranger to responsibility, he managed to combine his passion for academia and business, working in both the public and the private sector.

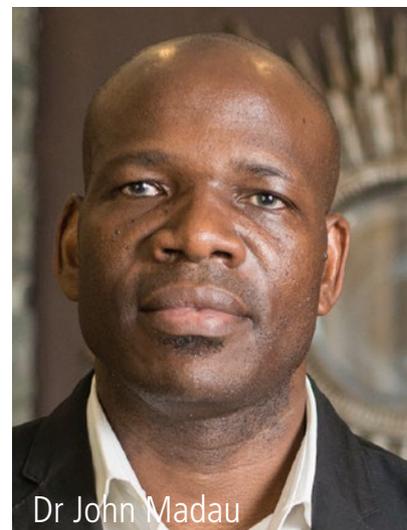
Prior to UIGC, he worked for a number of organisations and spent 15 years in academia, working for the University of Venda as a lecturer among other entities. Dr Madau trained as a development officer and holds a BA degree in Social Work, a Masters Degree in Management and Supervision and a Doctorate in Development.

"Tertiary institutions in South Africa are struggling with funding. This is what led the University of Venda to establish a company called UIGC an entity wholly owned by the University of Venda," he explains. UIGC

is a self-funding organization which has a number of subsidiaries such as their commercial farm, which raises money through selling its products. They have 250 hectares of farmland, which produces macadamia nuts, bananas and avocados. They also own a travel agency and run the biggest security company in Limpopo. A landscaping company, (UIGC Garden) is also part of their business portfolio.

The organization employs over four hundred staff members and is basically self-funded through the multiple entities and other additional training services. "Training is a very critical component of what we do, through training and consulting, our budget is robust," he explains. Each entity has targets, and those targets are above millions for each individual entity.

Dr Madau has been the CEO of UIGC for 6 years, his extensive experience in academia and executive roles gave him



Dr John Madau

the ammunition he needed to come up with one of the multiple ways the private sector can work with public institutions to promote economic growth in South Africa.

“Government cannot fund everything that Universities want to do, it is vital for Universities to come up with plans and ways to increase their revenue if they are to survive. Everybody cannot be competing for the same slice from government, there has to be a different approach. Other sectors, especially the private sector have to play their role,” he explains.

“The private sector has to identify areas investors can focus on investing in. It’s easy if you are from a public institution and you want the public-private sector to partner with you when you identify pockets. A good example of identifying a pocket is an institution approaching a company with the proposition that they want them to fund a specific program. For instance, if a company focuses on auditing and accounting, it can fund students studying that. When they complete their studies, they can go and work for that company,” he explains. This method not only ensures that students get funding and education, but it also sets them up with a job when they finish their studies, killing two birds with one stone.

“Transformation within tertiary institutions and the private sector is very slow at the moment, this is mainly because South Africa has not started talking about the real issues and challenges it’s currently facing. Instead, we are scratching the surface, if we are to transform the country, we need to start with the young people.”

“The issue is around ownership, not getting a stake here and there. Its also not about having a black CEO appointed here and there in white owned companies as that will not escalate the transformation process. We need to get the government to fund the youth so that they start their own businesses. When you have young people owning businesses in the mining sector, consulting, auditing, finance and all these other entities then we can start seeing real transformation,” he says.

“It is only when the youth own and have a tangible say in various sectors that the transformation we want to see happen will be achieved. We should be worried that we don’t have young people who own listed companies on the Stock Exchange.

I don’t agree with people that are saying that the government must be the sole provider, however, the government must provide deliberate funding, not the kind of funding that asks for your business plan. They should aim to fund every business person that’s in the financial sector and other sectors. Risk must not be key screening criteria to previously disadvantage people,” he explains.

Dr Madau argues that there has to be a grant that can support entities for at least the first five years of business. Certain policies need to be re-evaluated because the country needs to adopt successful models from successful countries and use them to maneuver our current situation. “We need to get to a point where government funds businesses and innovative ideas regardless of the roots,” he argues.

“If I were president, I would ask the PIC and such entities to give me their spreadsheet and enquire about the number of young people they have funded and from which sectors they are invested in. It is through monitoring these types of organizations and encouraging them to find people in rural areas with great ideas that we can see tangible progress. Getting funding should not be centered on who someone knows, but rather if their idea is good enough or not,” he says.

UIGC practices the message it preaches, last year they decided to put aside money to fund students every single year, this operation will be running for the next five years. “We will run a competition and select, let’s say you have 100 ideas from both the staff and the students. Our main focus will, of course, be the youth, which are our students. Mid-year we will review those companies, to assess their progress and to give them funding. We will then partner them with SEDA and the SAB Foundation. Supporting them, then at the end of the year, when we start a new cycle in January, we will go back to those companies and say let’s see how far you are? We would then as UIGC want to invest in those companies,” he explains.

“UIGC will end up with so many subsidiaries as we will become minor shareholders

in those entities. The good thing is we want to support young people who have good ideas to go out there and make it. Unfortunately people don’t realize how crucial funding is to new businesses. We want to hold these kids by the hand and support them. Our view is that in the next five years, we should have created more than 50 companies,” he says.

“We don’t want to take over their companies; we want them to run them with our support. Our job is to give them a platform, which they must deliver to the brand, the university. Our first goal for this year is to raise enough money to allow us to fund about 200 students through the bursary process within the University of Venda. The second goal is to expand from our own entities; we have these five business entities that we have, so we want to grow them up to a point where they are massive. We are hoping that 2020 will be the year that we compete strategically with the market. We want to increase our market share in each entity by more than 15%,” he explains.

“My personal goal would be to get us to a place where we are a company of choice, people look at us and say this is where we get the best company which is owned by a public entity. We have a strange arrangement of being owned by the government but not necessarily in government. I would like to get us to a place where at least 50% of our students can go to the University for free. Our long-term goal is to make sure that education at the University of Venda is free,” he argues.

The institution cannot achieve everything alone as a result they have relationships with the relevant departments. “With the government, it is important to know that we work with relevant departments for relevant projects. It is important that we have the support of the Ministry of Higher Education and Training and the Ministry of Tourism.

We hope to get to a point where we can share our thoughts with other institutions, so they too can learn from us. As we are aware that currently, we are the only black, historically black institution that has a company of this nature,” he concludes. 

Fast forward

Between today and 2030, the digital revolution will profoundly change how small business owners in South Africa operate, attract funding, grow their businesses and change our economic landscape

Our economy is changing lightning-fast, with technology being the single-biggest catalyst. Between now and 2030, robotics, Artificial Intelligence, Blockchain and other innovative solutions will become even more prevalent than they already are, allowing the private sector to operate more efficiently and cost-effectively, often with fewer employees.

The growing contingent of more confident start-ups will change the face of our economy between now and 2030, for starters because they are more in tune with what their customers need, particularly compared to large corporate dinosaurs.

I foresee South African tech companies to continue to eat away at large companies' revenues, profits and presence simply because they offer customer-focused solutions that provide end-users with an experience, not just a product or service.

As time elapses, start-ups in South Africa, and the rest of the continent, will become bolder, gutsier, and more daring. Fintechs especially will continue to disrupt the status quo, which is what they are already doing. Today, you can get insurance within 10 minutes without standing in a queue, save for a rainy day or invest without needing a bank account, and get business funding without requiring collateral.

The latter is important, particularly for budding entrepreneurs: accessing finance continues to be their single-largest obstacle. Despite a dozen different government-led SME funds and financing

schemes, the 2018/2019 Assessment of South Africa's SME Landscape report shows that over half of SMEs in this country dies before their third birthday. Funding issues tops the list of challenges.

This may become a thing of the past as we approach 2030 thanks to a growing community of alternative lenders and Fintech companies that take a different approach to risk. To companies like ours, an applicant's financial records and business performance is what really matters when applying for working capital - not his or her collateral or assets.

In addition, by doing things differently, Fintech lenders are forcing the banks and other conventional lenders to reinvent themselves if they want to stay relevant to a growing pool of potential clients, namely SMEs.

There is, unfortunately, one more pressing issue that needs to be addressed, over and above the funding issue. Besides struggling to access finance, South African SMEs are faced by clients who are failing to pay them within the legally prescribed time frame of 30 days.

In March last year, the government was sitting on R27 billion worth of outstanding SME invoices, the SBI reported. This is what corruption costs South Africa every



year. The private sector isn't much better. The SBI has recently found that just a mere fraction of the JSE's top 100 companies are paying their smaller service providers within prescribed 30 days.

This has been a huge issue for decades—and if we will allow it, this entirely preventable problem will continue well beyond 2030, serving as a double-edged death sentence for our SMEs. Non-payment, after all, also hits those Fintech companies that are trying to make it easier for smaller companies to get funding in order to grow into ventures. Each of which contribute to our economy and keep South Africa on the forefront of the digital revolution. **BBQ**

Retail Capital CEO, Karl Westvig

SHAPING THE FUTURE TOGETHER

Since 2011, **ATVANCE ACADEMY** has had one goal - to improve the lives of young South Africans through training and employment.

We work with community leaders, community centres, libraries and schools to empower and educate and uplift the community as a whole. Helping to create change through free accredited training, we offer young people who have no other access to further education a chance at a better life.

**130 Rapidly Growing Campuses
Across South Africa**



30 000 Lives Changed Every Month



Accredited Training



Work Integrated Learning



100% Compliant Solution



**A 51% black-owned, Level 2 B-BBEE and SAQA
Accredited organisation, ATVANCE ACADEMY is
creating a better South Africa, one learner at a time**



Contact us today to be part of the change.



Industrial Development Corporation

Your partner in development finance

Spearheading industrial development

The IDC facilitates job creation, regional integration and economic empowerment

Ever since its establishment in 1940 by Act of Parliament, the Industrial Development Corporation of South Africa Limited (IDC) has spearheaded the development of domestic industrial capacity in South Africa. At inception, the purpose of the IDC was to address the shortage of manufactured goods experienced as a result of the disruption of trade between Europe and South Africa during the Second World War.

Since then, the corporation has been instrumental in implementing South Africa's industrial development policy, establishing some of the industries that have since become cornerstones of the country's manufacturing sector, including petrochemicals, mining and mineral beneficiation. Apart from large industrial projects from these industries, the IDC has also been instrumental in the establishment of other industries such as fabricated metals, agro-industries, clothing and textiles.

One of the most important outcomes achieved through developing industrial capacity, is to facilitate the creation of employment opportunities through funded companies. In addition to job creation, IDC funding continues to promote regional development and integration, advancing inclusive transformation amongst poorer

communities. The IDC remains committed to promoting sustainable growth and increasing sectoral diversity thereby boosting the local production of goods.

The corporation also plays a critical role, directly and through its subsidiary sefa (Small Enterprise Finance Agency), in promoting entrepreneurial development and growing the SME sector. Furthermore, the IDC's role in the rest of Africa is to proactively develop and implement strategies that create linkages and integrate value chains across the continent.

Although priorities and focus areas have evolved over the years in line with government policy, the IDC remains committed to its objectives of developing South Africa and the continent's industrial capacity and, in doing so, play a major role in ensuring economic inclusion and job creation.

Who should apply for funding

New or existing companies that plan to create new or expand industrial capacity within the economy are encouraged to apply for funding. The IDC can also consider funding of expansionary BBBEE acquisitions—where the majority of the acquisition funds remain within the target company for expansionary purposes (usually through an issue of shares).

Minimum investment requirements are:

- Security, of a type related to the applicant business's specific circumstances.

- Compliance with international environmental standards.
- Relevant bargaining council compliance.
- The project/business must exhibit economic merit in terms of profitability and sustainability

The IDC does not refinance fixed assets, since its aim is to expand the industrial base.

In addition, shareholders/owners are expected to make a material contribution to the project or business – generally 35% of total assets for going concerns and 45% to 50% for start-ups, depending on the industry norms and risks involved. The IDC prefers its exposure not to exceed that of the owners of the businesses. However, the contribution for start-ups with a material developmental and job creation impact may be lowered, in which case the IDC may be prepared to extend finance greater than the owner's contribution.

How to apply for IDC funding

The potential client will drop off their business plan and all relevant documents at the IDC's Pre-Investment Business Centre (PIBC) at 19 Fredman Drive, Sandton, or at one of the IDC's regional provincial offices.

All business plans are registered within the funding mandate of the IDC and screened. If it falls within the mandate,

the PIBC allocates it to a manager to begin screening as part of the basic assessment process.

Applications that pass the basic assessment process are then forwarded for review to one of the strategic business units (SBU's). The SBU undertakes a due diligence process. If the plan meets all the requirements, it is submitted to EXCO for consideration. The application is then approved subject to meeting all conditions necessary.

Automotive and Transport Equipment SBU

The objective of the Automotive and Transport Equipment SBU is to ensure both domestic and global competitiveness in the downstream manufacturing of automotive and transport machinery and related

components. The SBU wants to see a competitive local automotive and transportation industry that manufactures or assembles a significant portion of automotive and transportation equipment in South Africa for both the domestic and export markets and is a key global player for select components.

The SBU offers funding, industry and project development support to businesses involved in developing the automotive, rail, aerospace and ship industries, and especially the manufacturing of the following:

- Motor vehicles, trailers and semi-trailers
- Aircraft and spacecraft
- Parts and accessories for motor vehicles and their engines
- Motorcycles and bicycles
- Rail locomotives and rolling stock
- Building and repairing of boats and ships.

Agro-processing and Agriculture Strategic Business Unit (SBU)

Through its Agro-processing and Agriculture Strategic Business Unit (SBU), the IDC aims to develop competitive food, beverage, fibre, forestry and agro-derivative industries that utilise and drive development of local and regional resources to supply domestic demand and increase participation in international trade.

This is achieved by expanding production capacity and promoting value-adding expansionary agro-processing activities in a manner that fosters economic inclusivity. The SBU also provides assistance to agro-processors that want to increase their procurement of resources from historically disadvantaged farmers or farming communities. We envisage that through our funding and project development activities



we can have the following impact on the South African economy:

- Promote, expand and extend new/existing industries in order to create and/or preserve jobs and drive sustainable economic growth;
- Enable local industry to ensure better utilisation of resources and infrastructure; and
- Enable local industry to improve operating margins and enhance/maintain competitiveness.

The business unit provides support to a wide range of economically viable activities in agro-processing (food and non-food) sectors such as:

- High-value field crops;
- Wheat and sugar;
- The livestock value chain - e.g., cattle, poultry and pigs;
- Fishing and aquaculture;
- Beverages;
- Forestry;
- Horticulture, including fruit, vegetables; and
- Nuts, tea and coffee.

Basic Metals and Mining SBU

The objective of the Basic Metals and Mining Strategic Business Unit (SBU) is to ensure globally and domestically competitive downstream manufacturing in the metals value chains. The aim is to ultimately

contribute towards the creation of a globally competitive and diversified local basic metal and mineral resource industry that produces a significant amount of the metal products and minerals for the local market and the rest of Africa.

This should ultimately lead to increased exports of value-added minerals. To achieve this objective, the Basic Metals and Mining SBU offers financial assistance to a range of entities in the basic metals and mining space.

The IDC funds the development of basic metals manufacturing capacity, the mining of minerals that support inputs to the metals value chain, and strategic minerals such as energy and food security minerals. Projects that benefit and add value to locally mined minerals in support of downstream manufacturing are sought after. The aim is to boost exports of local minerals. Funding is also considered for businesses that are involved in the development of projects that increase production of the following:

- Non-ferrous metals;
- Ferrous metals;
- Ferro-alloys; and
- Large mines.

Clothing and Textiles SBU

The Clothing and Textiles SBU offers support to a variety of enterprises across the sector, ranging from creators of home decor to leather goods producers and manufacturers of natural or synthetic fabrics. The aim is to build a locally and regionally competitive industry through strategic partnerships that promote entrepreneurship, and social and industrial development. The unit also manages a Clothing, Textiles, Footwear and Leather Competitiveness Improvement Scheme. The unit works closely with the Clothing Textiles Competitiveness Programme, which is a grant scheme managed on behalf of the Department of Trade and Industry.

The SBU's focus is on identifying and developing strategic projects involved in one or more of the following areas:

- Clothing manufacturing;
- Dyeing, printing and finishing of fabrics;
- Footwear manufacturing;





- Household textile production;
- Leather tanning and leather product manufacturing;
- Natural fibre processing, including wool and mohair beneficiation;
- Non-woven textile production;
- Synthetic fibre production; and
- Spinning of yarns, knitting and weaving of fabrics.

Industrial Infrastructure SBU

The goal of the Industrial Infrastructure SBU is to unlock infrastructure development to create an environment that helps grow South Africa's economy. To this end, investments will be made to achieve the following:

- Boost the energy infrastructure by providing local developers with opportunities in the energy sector and particularly supporting those projects that free up energy consumption and take pressure off the power grid. The SBU seeks to optimise energy efficiency interventions and finding alternative bio-fuels.
- Develop bio-fuels: by developing the biofuels sector on a commercial scale. This sector is a potential source of new

- significant employment and economic development, particularly for agriculture in rural areas;
- Support transport networks, including road, rail and ports to ensure a sound logistics network that will allow local industries to be competitive and be able to access new markets/suppliers in the rest of Africa;
- Increase and extend broadband coverage in order to lower the cost of business and boost trade and business.

The SBU support projects that focus on the reduction, avoidance and adaptation of carbon emissions. Specific sub-sector focus areas are non-fuel based green energy (for example, renewable energy), energy efficiency and demand side management, emission and pollution management, fuel-based green energy (for example, waste to energy and co-generation) and bio-fuels (mainly bio-ethanol).

The SBU also funds projects that boost industrial infrastructure, logistics infrastructure including road, rail and ports. The SBU also manages the Green Energy Efficiency Fund and the AFD Green Fund.

The SBU funds:

- Projects with significant developmental impact – particularly sustainable job creation, the creation of exports, value addition, localisation, empowerment and rural development;
- Fixed assets and working capital;
- New projects, expansions and rehabilitations;
- Relatively sizeable projects; and
- Projects that exhibit sustainable economic merit.

Media and Audio-Visual SBU

The goal of the Media and Audio-Visual SBU is to be a driving force in the development of a sustainable media and audio-visual value chain in South Africa. The focus is on funding:

- The production of locally relevant and internationally palatable content, with an emphasis on feature films, animation and TV series (the SBU's structure in this case includes filling the financing gap, as well as cash-flowing DTI film incentives);
- Digital cinemas, particularly in townships and rural areas, as part of our audience development mandate;
- Infrastructure such as production, post-production and broadcast studios;

- The creation and acquisition of platforms across TV, radio and digital media;
- The development of new or alternative distribution systems for content; and
- Projects or initiatives that support the greater media industry along the value chain, such as equipment rental.

Targeted outcomes include;

- Promoting sustainable production of audio-visual content;
- Developing audience, encouraging the local consumption of local films and building township cinemas;
- Developing a competitive animation sector;
- Developing the media industry; and
- Developing black industrialists within the broadcasting sector.

The Media and Audio-Visual SBU strives to accelerate investments in projects that promote economic development and have an impact in the media sector.

Partnerships with like-minded industry role players are critical in our quest to achieve this.

The SBU is geared to facilitate complex financing for film, television and other media content platforms through a variety of funding structures, ranging from single-project financing and slate financing to joint ventures between South African producers and their international counterparts.

The SBU also seeks to support projects that are geared towards bringing about greater transformation in the media and audio-visual value chain.

The SBU prides itself on having an in-depth understanding of the intricate financing needs of the media world.

Its personnel have acquired hands-on expertise in the media, creative and entertainment sectors and working with independent and owner-managed businesses, with clients ranging from small and medium-sized operations to substantially larger businesses.

The SBU exists to understand and serve the media industry and has, to date, provided funding to support working capital for

numerous high-profile projects—including film and television productions—and has assisted many businesses in their corporate aspirations and acquisition strategies. The SBU continues to play a crucial role in encouraging the entrance of new players, particularly black industrialists, in the sector by working with clients from start-up through to the completion of specific projects.

We acknowledge and believe that there is scope to do more.

Some of the SBU's priorities include:

- Diversifying investments into non-traditional areas of the media value chain;
- Building partnerships with platform owners to drive the industry's growth and economic viability;
- Facilitating greater access to diverse platforms and markets for the benefit of the South African media and audio-visual industry; and
- Enhancing the exposure of South African filmmakers.

New Industries SBU

The SBU's primary objective is to establish new globally competitive industry value chains that will make a meaningful contribution to economic growth in South Africa and thus facilitate future jobs-rich industrialization and the achievement of other IDC development objectives.

The New Industries SBU's priority focus areas are the following:

- The localisation and domestication of clean energy solutions, the local adoption thereof and ultimately the export thereof. These solutions include energy storage, fuel cells and renewable inputs;
- The creation of 4IR technologies and business models. These technologies include but are not limited to additive manufacturing, nanotechnology, Internet-of-Things, robotics and artificial intelligence; and
- Establishment of the full Gas Separation value chain around Klydon Gas, a globally unique and competitive SA-developed gas separation technology for supply to local and global markets. These include

landfill site operators, any industrial operation which produces harmful CO₂ emissions (e.g. Sasol), and international oil and gas companies.

Chemical Products and Pharmaceuticals

The objective is to develop a competitive downstream chemicals industry (including plastics and pharmaceuticals) that will meet consumer demand in the local, regional and global markets. We aim to achieve this by investing in the development of projects/businesses that seek to create new or expand local manufacturing capabilities, replace imports and enhance competitiveness by lowering the cost of production through the introduction of new technologies.

The Chemical Products and Pharmaceuticals Strategic Business Unit offers funding, as well as industry and project development support, to businesses developing downstream chemicals, plastics and pharmaceuticals products. The manufacture of the following are key focus areas for the unit:

- Pesticides and other agro-chemical products.
- Paints, varnishes and similar coatings.
- Pharmaceuticals, medicinal chemicals and botanical products.
- Soaps, detergents, perfumes and toilet preparations.
- Man-made fibres.
- Plastic products, including plastics recycling.
- Medical devices.

Light Manufacturing

Our goal is to support light manufacturing activities that have a high developmental impact meaning they that have potential to create or preserve jobs, support local opportunities, bring about transformation in the economy and develop emerging entrepreneurs and black industrialists. We also support manufacturing activities that improve competitiveness and are environmentally sustainable. We fund high volume of opportunities offering high impact return on effort.



Within the light manufacturing industry, we fund the following sectors:

- Professional and scientific equipment
- Television, radio and communication equipment
- Furniture production

Machinery and Equipment

Our goal is to ensure globally and locally competitive downstream manufacturing of machinery and capital equipment. Ultimately, we wish to see a competitive and diversified local machinery and capital equipment industry that satisfies a significant portion of demand locally and the rest of Africa, and is able to compete globally.

Accordingly, the Machinery and Equipment unit offers finance, and where relevant, technical assistance to a range of manufacturers of the following:

- Mining and power supply equipment
- Earthmoving and construction equipment
- Compressors
- Pumps
- Gas cylinders and tanks.

We focus on specific sectors:

- Electricity generation and distribution – transformers, generators,

electricity-supply components, switchgears and related measuring devices/apparatus.

- Mining, quarrying and construction – self-propelled off-road machinery and equipment for mining and construction sectors; equipment for sorting, screening, separating or washing, crushing and grinding for stones/ores and other minerals.
- Oil, gas and water storage and distribution – reservoirs and tanks, bunkers/bullets, distribution components such as ducts, vessels, heat exchangers, pumps, valves actuators, compressors and measuring equipment.
- Manufacture of lifting and handling equipment – cranes, lifts, elevators, conveyors, specialised parts for lifting and handling including buckets, shovels, grabs. Cargo/shipping containers carried by one or more modes of transport such as rail, water and air.

Heavy Manufacturing

Our goal is to finance projects in the heavy manufacturing sector that have a high developmental impact meaning they have potential to create or preserve jobs, support local opportunities, bring about

transformation in the economy and develop emerging entrepreneurs and black industrialists. We also support manufacturing activities that improve competitiveness and are environmentally sustainable. We fund a high volume of opportunities offering high impact return on effort.

Within the heavy manufacturing industry, we focus on the following sectors:

- Cement, lime and stone products
- Furniture production
- Glass production and products
- Pulp, paper and paper products
- Rubber products
- Wood processing and wood products

Suitable candidates for funding would fit the following criteria:

- Businesses implementing relatively sizeable projects;
- Businesses establishing projects that exhibit sustainable economic merit;
- Businesses designing projects with significant developmental impact, particularly:
 - Sustainable job creation
 - Manufacture of exports
 - Value-addition
 - Empowerment
 - Rural development 

Our source of life

South Africans currently consume more water per capita at approximately 237 litres per day, this is relatively high in comparison to the world average of approximately 173 litres per day. Events such as The Water Show Africa 2020 help address the challenges and opportunities in the sector and how we can manage our water consumption, as climate change is increasing water scarcity.



The month of March is recognised as the 'Water Month' we engage in water activities, solemnly for the purpose of highlighting the importance of water in the livelihoods of the general public and the country's economy. South Africa has a semi-arid climate, with an average annual rainfall of 465mm, compared to the world average of 860mm. As a result, South Africa's water resources are scarce and extremely limited.

Failure to manage those resources will result in a major water crisis, causing severe water shortages such as the water crisis Cape Town faced between 2017 to mid-2018.

It is extremely important to understand that water is indeed our source of life, we use it for drinking, domestic use, food production, recreational purposes, within manufacturing industries, within mining industries and across other various

industries. So, avoiding another (Day Zero) should be a priority at all costs.

When Cape Town was confronted with severe drought in 2017, the big question on everyone's mind was: "How did this happen, and how did we not prepare for this?" A fair question from the general public. Who ironically consume the most water and never really stopped short of asking themselves about the enormous amount of water they were wasting. It

took a frightening moment to get people to wake up and smell the coffee that the possibility of having nothing to drink was so real and sharply staring them in the eye.

We want to avoid that; the first step to achieving this goal is by being aware of what is happening in our surroundings. By 2025 half of the world's population will be living in water-stressed areas. In South Africa, water security is becoming more and more difficult to guarantee, mainly because of the increasingly strained supply of surface water. 97% of our planet's water is found in the ocean, but the method of treatment needed to purify that water is the most expensive method per-unit cost of treatment available.

Desalination plays an ever-increasing role in meeting our freshwater supply requirements but it does little to promote a more sustainable, friendly and less wasteful environment. When it comes to ensuring we have access to clean and purified water, there are two alternative treatment scenarios that continue to gain traction: Water Reuse and Water Desalination. Since desalination raises some environmental challenges, municipalities will most likely opt for water re-use and recycling, other than desalination. As it is their responsibility to make sure that they make use of systems that secure our future long term, among their many obligations municipalities are tasked with the responsibility of ensuring industries match the requirements they set to guarantee an eco-friendly environment.

In 2018 the government devised a National Water and Sanitation Master Plan, which is a guiding framework towards the attainment of service delivery of basic services such as water and sanitation by 2030 and beyond.

This plan is based on five key objectives, which define a "new normal" for water sanitation management in South Africa: The first objective is Resilient and fit-for-use water supply, then Universal water and sanitation provision, Equitable sharing and allocation of water resources, Effective infrastructure management, Operation and Maintenance and lastly Reduction in future water demand.

These five objectives will enable the achievement of targets set out in the National Development Plan Vision for 2030 and the (Sustainable Development Goal number 6, 2030) of making sure we have affordable and reliable access to sufficient and safe water and hygienic sanitation for socio-economic growth and well-being.



Desalination plays an ever-increasing role in meeting our freshwater supply requirements but it does little to promote a more sustainable, friendly and less wasteful environment

This is imperative because sanitation and water are basic services every human being has a right to.

It's no secret that clean and readily available water is crucial for public health. Improving water supply and sanitation services, making sure water and water resources are better managed, will boost our countries economic growth, this will contribute immensely towards the eradication of poverty in Africa. The Water Show Africa 2020, which will be held from the 31st of March to the 1st of April at the Sandton Convention Centre in Johannesburg, is Africa's leading exhibition for water professionals and large end-users.

The modern world is calling us to manage our consumption of water, calls for increased adoption of more advanced solutions like digital water, reclaimed water use, decentralized treatment are forcing service providers to take note. Wastewater utility management practices are being challenged and rightly so.

The objective of the Water Show Africa is to welcome utilities, municipalities and large water users annually, giving them a platform to dive deep into the solutions to problems their industry is facing. Their main goals are to: Improve the delivery of water infrastructure, to drive service efficiency and reliability and to keep up to date with the

latest trends that are successfully shaping today's water future.

Over the last 13 years, hundreds of exhibitors have either initiated or closed deals at the show, this event is a multi-streamed exhibition with hundreds of attendees and a strategic conference. The conference focuses on global trends and

key strategies for end-users to ensure the security of water supply. It is a combination of the show's history and passion for innovation; it also shows their commitment towards bringing a unique event that promotes different brands.

The following are reasons why you should not miss the Water Show Africa: It is a great opportunity, mainly because it gives you the chance to get your brand in front of 2,000 plus water professionals and buyers. It helps you create and reinforce leadership in these markets, it gives you the opportunity to meet, partner and do business with the best water boards and utilities in Africa.

It is also a chance for you to launch new products, initiatives and segments, it's an opportunity to open and unlock a new market especially geographically. It's a good opportunity to sell, market and prospect new products, the show also offers a chance to those who want to establish partnerships and collaborations. Lastly one can use the show by leveraging on their extensive marketing campaign.

The exhibition gathers the hottest decision-makers and real-world doers, who share their expertise, giving tips on the best practices for effective power and water supply. Two prominent areas that will be discussed are water in agriculture and water in the mining space. Water use

in agriculture is at the core of food security, agriculture accounts for 70% of all water withdrawals globally. Irrigated land is more than twice as productive as rain-fed cropland, yet the efficiency of water use in agriculture still looms large.

The water and mining space are highly competitive with several unique challenges and opportunities. These opportunities can drive the sectors forward if maximized on efficiently and effectively, the key is to generate actionable and practical solutions that are responsible and sustainable. This implies leadership, innovation and a deep understanding of technology and engineering.

Above all, it implies the ability to build solid partnerships, overcome challenges and work towards a united, skilled and flourishing industry.

The global speakers line up at the Water Show Africa Conference, is very broad and diverse, in terms of countries represented

and the knowledge of expertise that will be presented. The audience that will be at the show will be from across the water sector but it is not limited to them. There will be 100 exhibitors and startups, expert speakers, free seminar sessions and unlimited networking.

The Water Show Africa seminars are free-to-attend, offering visitors an unparalleled peer-to-peer learning opportunity. They also bring together expert speakers from across the water sector to provide insight, showcase innovation, share the best practice and discuss ideas on trends in the sector. They aim to find innovative and cost-effective solutions to some of the technical engineering challenges the industry faces on a daily basis.

Content covered by the seminar will be as follows: Impact of climate change on water availability, cost-effective disinfection of water, online monitoring of water quality. They will touch on what investors

expect from water in 2020, what industrial utilities need from the private sector.

Water management integration, tech to support planning against water scarcity, solar-powered seawater desalination, water reuse innovations. In addition, the process of purifying water from dams to final water distribution requirements and suitable solutions. How automation and advanced modelling is reinventing industrial wastewater treatment, integrated water resource management and lastly the way renewables will impact desalination.

The Water Show Africa 2020 is an opportunity to generate and implement new ideas, source new business and to spearhead growth within the African economy. It is our responsibility to constantly make an effort to bridge the skills gap in the water space, making use of the latest technology solutions. **BBQ**

Staff Writer



Easier to succeed using talent

Lelethu Mbangi, managing director at LM Attorneys, aspires to become a distinguished business lawyer, says Samantha Barnes

Young professional, Lelethu Mbangi is committed to learning. Beyond establishing his law firm, which he founded in 2013, he is completing his third Master's degree. An impressive accomplishment indeed. After all, his diary is already full—consulting to clients in diverse sectors, and taking care of the day-to-day business of running the growing law firm.

Adding to the 'To Do' list, LM Attorneys moved to new offices in January, and the firm is on a continuous recruitment drive for the best talent. Based in a prestigious new address in Sandton, Johannesburg, the move was motivated by the decision to invest in their own premises, rather than lease them.

A full plate by anyone's standards. Mbangi's bold plans include his legal practice eventually advising clients internationally. How does he manage to juggle all these commitments? It can be explained — an unflagging work ethic.

Talent, education and hard work is the ethos that underpins the law firm. "I am busy writing my Masters dissertation in Tax Law through the University of Pretoria—due for completion at the end of February," says Mbangi. He gives a wry smile. Somehow, he will get it done, in between "aspiring to become one of the most influential and recognised business lawyers in South Africa and in the continent at large".

His image looks sharp too. Mbangi is dressed in a blue suit, in the close fitting style that young professionals tend to favour. The offices have that hip urban-industrial style of professionals who are unapologetic about their focus and ambition. Glass sliding panelled doors in the boardroom, modern artwork adorns the walls and office furniture in untreated wood. This makes a statement too: our firm is young and energised.

Hold this thought —his third Masters' degree. Surely, the business lawyer yearns for a well-deserved break from the non-stop pace has been working at... "I like responsibility," explains Mbangi. "It gives me good stress. It keeps me focused and my actions clear in terms of the responsibilities that I have taken upon myself."



Specialisation: a strategic decision

LM Attorneys seeks to serve business, and particularly black business, "so that they fulfill their purpose in society". Rendering a service to them goes beyond delivery of advisory expertise. "Sure, our services are important to our clients — they need them. Further than that, we ensure that their businesses are legally compliant with all applicable laws. Advising them in such a manner that enables them to get on with their business, without having to worry about the legalities.

"We want to free the business owner and or the executive(s) to get on with business —giving them peace of mind in the transactions they are involved in or running their operations. In mining, for

instance, a client must operate within strict regulation. We ensure that they operate lawfully within that, so they have no sanctions, no unnecessary fines or temporary or permanent closure of their operation. Mbangi hastens to add, that the law firm's approach is "about seeing the businesses that we serve grow and realise their full potential".

LM Attorneys has deliberately chosen to serve sectors with the potential to drive much of the growth in the country's economy – mining, financial services, maritime and shipping, transport, engineering, and construction. "We have chosen to specialize – in tax, corporate law, including mergers and acquisitions, banking and finance as well as taking care of the regulatory environment."

"Interacting with banks to the extent that we do, we understand the issues on both sides (being the lender and the borrower) of the table. Mbangi is planning to take a programme in finance and financial law." Mbangi explains his thinking. "There is a convergence of finance and law. We must be able to advise our clients if they go international and we must upskill ourselves."

Mbangi and his colleagues have youth and energy on their side to go the extra mile for their clients. "Our oldest employee is in their mid-thirties," he acknowledges. "Our specialisation, expertise and client-centricity helps a lot in setting us apart from other law firms. Quality in our work very important. Some people provide a service that their clients' don't really need, whereas our services to clients are a priority—they need them." As the founder of the firm, Mbangi is happy with LM Attorneys progress, now in its eighth year. "Since founded LM Attorneys has grown in leaps and bounds adding new clients, growing turnover and headcount. We are also operating more efficiently."

Motivating young professionals

Asked to share a motivational message for other aspiring young professionals, the business lawyer does not miss a beat. "I think that it is easier to succeed when you do something within your natural talents (of course you require the technical knowledge for some sectors) and set up a business within that. Blend that with education and work hard, you will succeed."

The managing director cautions, "However don't confuse your talents or gifts with what you studied. Seek first to understand the business sector that you want to enter. Take the time to do that before you get too involved in the business."

Gaining an education

The suave, ambitious business lawyer is a child of the Transkei. Mbangi completed his undergraduate law degree at the University of Transkei and then served his articles in Queenstown in the Eastern Cape and passed his exams. "After that, in 2011, I drove up to Johannesburg," he shares.

In the course of the next eight years (besides establishing LM Attorneys, just two years after his arrival in Johannesburg) he completed a diploma in Corporate Law, followed by a diploma in Drafting and Interpretation of Contracts. Then as Mbangi says,

he 'upgraded' to a Masters in Corporate Law at the University of Johannesburg, before completing a second Masters' degree in Business and Commercial Law at Wits, with his majors including banking and finance.

Now days away from achieving a Masters (his third) LLM in Tax Law, he shares. "I believe in education grounding everything that you do as a professional," he explains. He also has a Post Graduate Certificate in Mining Law and a Post Grad Certificate in Mining Tax.

With plans for LM Attorneys to serve clients internationally, Mbangi and his colleagues have developed an understanding of international law, including advanced law of contract as well as banking and finance.

LM Attorneys is expanding its footprint beyond Johannesburg, to include Durban, Mbombela (formerly Nelspruit) and the Eastern Cape. There are plans to open an office in Mbombela by the end of the year. "We are supporting many black businesses there," says Mbangi, his excitement tangible at future growth prospects there. "We are looking to add more clients and to assist them in their decision-making.' With so many projects running concurrently, his life revolves around work, at a high pace.

"When I have a series of important decisions to make, I don't take them lightly. I take time off and spend a lot of time thinking at an advanced level and collecting information," concedes Mbangi. While he may consult colleagues on legal matters, his business decisions are strictly personal.

As in any business, there have been challenges. When Mbangi foresees a delay of some kind, they make alternate arrangements. "The issue of access to finance was overcome. We are fortunate to have clients who pay us on time. We service them timeously."

Medium to long-term goals

Our outlook is we want to grow with our clients from what they are until they can be categorised as corporate and listed entities. Mbangi has no doubt that getting big clients and corporates will happen over time. "They are going to be our clients in the near future.

"We want LM Attorneys to be known as a firm that has served businesses greatly, hence the slogan "Great business lawyers". We want to be known to have enabled businesses to become prosperous and more particularly, black businesses. We want to be known as having played a large part in the economic revolution of black businesses, we elect to remain awake through this revolution. We must be the guardians of black businesses.

"Our outlook is not just for 20 or 30 years, but 50 or 100 years. You cannot just roam in South Africa you have to move beyond that. We will work hard."

Recreation happens rarely

When he does relax... Mbangi enjoys reading books unrelated to law. He reads widely – finance, economics, philosophy and psychology. "I enjoy how insightful the thinking of old philosophers can be and how analytical," he shares. Just like Mbangi. 



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Investment key to growth

Giving the economy and society the boost they need

The South African economy relies heavily on the export industry. The importance of creating an enabling environment for export-orientated products that are made in the country cannot be overstated. That is where organisations like the Coega Development Corporation (CDC) (Pty) Ltd come to the fore as one of the leading economic development corporations in the country.

What is especially important about the CDC is its Special Economic Zone (Coega SEZ), which is the Number 1 SEZ in Africa in terms of the recent performance and achievements in attracting private sector investment and foreign direct investment. Located in the bustling Nelson Mandela Bay Metropolitan Municipality, the Coega SEZ provides companies and industries with 9003 hectares of prime industrial land to manufacture, store and distribute goods for both local and export markets. Key focus industries that are targeted include automotive, energy, agro processing & aquaculture, maritime, metals, chemicals & metallurgical, business process outsourcing (including worldwide state of the art call centre operations, such as WNS and Discovery), trade solutions/training and skills development, and logistics. The Coega SEZ is situated right next to the efficient Port of Ngqura—a modern, deep-water multi-user harbour developed and operated by the Transnet National Ports Authority, as a gateway to global markets. The

ideal location of Coega makes the SEZ an attractive proposition for local and international companies.

Since establishment in 1999 as an Industrial Development Zone (IDZ), and re-gazetted in June 2017 as a Special Economic Zone, the SEZ has attracted a total of 45 operational investors (25 international and 20 South African). Through the Coega SEZ and the other diversified businesses of the CDC operating in South Africa and on the continent as an Infrastructure Implementing Agent of Choice, the CDC has created more than 120 990 jobs.

In addition to the Coega SEZ, the CDC provides project management services to government departments focusing on infrastructure development and facilities maintenance. These services have been extended to Zimbabwe, Cameroon, and Central African Republic (CAR), helping these countries with the establishment of their Special Economic Zones and related projects. These developments will certainly contribute to CDC's growth and sustainability prospects.

Part of that growth plan will be aided by the CDC achieving a BB-BEE Level 2 score in October 2019—a significant shift from Level 4 a year ago. The organisation's commitment to transformation is second to none, and Dr Vilakazi is extremely proud of this achievement—which he sees as a major step in the right direction for all involved with the CDC.

"Having a BB-BEE Level 2 status is beneficial not only for the CDC, but for everyone in our supply chain, both financially and in

terms of increasing their own BEE scores. Companies procuring from the CDC can now claim 125% against the preferential procurement scoring. For example, for every R1 spent with the CDC, R1.25 will be recognised when they are measured for Preferential Procurement."

"The benefit of having such a rating, particularly for the CDC, is having a better chance of securing more project management services contracts that will make a positive contribution to society in terms of job opportunities and skills development."

That contribution to society has been highlighted by a partnership with the Department of Health. In 2019, the CDC completed the construction of eleven NHI pilot clinics valued at R457-million in the rural Eastern Cape on behalf of the Department of Health—and that partnership has been a roaring success, according to Dr Vilakazi.

But how is the CDC and its Special Economic Zone going to attract the level of investment required to ensure growth is achieved going forward?

Dr Ayanda Vilakazi, Group Head of Marketing, Brand, and Corporate Communications at the CDC, believes the key to achieving their investment goals is by ramping up the investment promotion initiatives, targeting countries that are looking to invest on the African continent, particularly those wishing to utilise South Africa and Coega SEZ as a gateway to the rest of the continent and World's market.

"In 2020 and beyond, the CDC will therefore intensify its investment promotion

campaigns to drive local and foreign direct investments in export-oriented industries. This will effectively position South Africa and Coega as the hub for Southern African trade," Dr Vilakazi says.

"We will also position the Coega SEZ as a preferred investment destination and an ideal location for businesses wishing to grow and take advantage of excellent infrastructure and services. Going forward, we certainly aim to maintain our Number 1 SEZ status on the African continent, and to utilise our 20 years of expertise to deliver value for our clients and stakeholders."

CDC's Game Changing Projects

Cemza cement, aquaculture complex, and BAIC SA's construction are all progressing well. Cemza cement is a R600-million-valued project, which is an investment by Cemza Ventures (India) and Heidelberg Cement (German technology partner). Cemza cement became operational in 2019.

In regards to aquaculture, environmental authorisation for land-based aquaculture development in Zone 10 of the Coega SEZ was obtained in February 2018. Town planning for Zone 10 was completed in quarter four of the 2018/19 financial year. Two letters of intent were signed with: (a) an investor seeking to develop a 400-ton abalone farm operation with an investment value of approximately R358-million and (b) an investor that will develop a state-of-the-art Recirculating Aquaculture System (RAS) farm for the cultivation of Barramundi for the Saudi Arabian, Italian and Australian markets. The investment value is R400-million and 128 jobs would be created.

The Beijing Automobile International Corporation (BAIC-SA), which in 2015 committed to invest R11-billion over the following 5 years is due to start production before the end of 2020/21. BAIC SA will be manufacturing annual capacity of 50,000 passenger vehicles by year 2022 and 100,000 by year 2027. Besides South Africa, the BAIC plant is expected to supply the rest of Africa, the Middle East and South America.

With the Coega Special Economic Zone garnering a lot of attention, winning local



Dr Ayanda Vilakazi

and international awards, the goals moving forward are ambitious, yet achievable.

These goals are directly aligned to government's current priorities, geared towards economic development through the construction of enabling infrastructure. Infrastructure development, job creation, skills transfer and development, beneficiation of the country's natural resources, and contribution in expanding the manufacturing sector are the cornerstones of the CDC's organisational performance," Dr Vilakazi continues.

The Coega SEZ offers global competitiveness through world-class infrastructure, rebates, and tax incentives with purpose—built for manufacturing including beneficiation of export goods, investment, and local socio-economic growth which include skills development and job creation.

The achievements and successes of the Coega SEZ over the past 20 years have proven that our approach to attracting investors is working, even when faced with geopolitical and low economic growth and investment volatility. Therefore, the CDC's global competitiveness and SEZ's value proposition continue to offer investors a strategic location and a gateway to other

African markets in the continent through integrated logistics.

The SEZ is purpose-designed following the cluster model. This strategically positions related and synergistic industries and their supply chains in close proximity to one another in order to maximise efficiency and minimise turnaround times.

The CDC continues to be a prime investment destination with a plug and play environment for potential investors. As the largest and leading SEZ in Africa, Coega has won numerous prestigious awards of excellence, which include the Department of Trade and Industry's Investor of the Year 2019 award. In addition, as a global player in inward investment promotions, Coega is ISO certified on key standards, which include IT service management, information security management, quality management, and occupational health and safety, to mention but a few.

"The CDC appreciates the compelling \$5-billion worth of Foreign Direct Investment (FDI) inflow achieved by the government in 2019, according to a United Nations Conference on Trade and Development (UNCTAD) Report. The CDC's intensive commitment to exploring

strategic opportunities to strengthen the South African economic climate has yielded a R9.5-billion boost in FDI within the Coega SEZ. To date, the CDC has attracted leading Fortune 500 companies seeking access to a wider African market.

"The CDC welcomes Government's plans to attract more investors through identifying investable projects and the creation of an investment book. The CDC is further encouraged by the President Cyril Ramaphosa's target for the country to attract \$100-billion worth of investment over the next five years, and to be "among the top 50 global performers within the next 3 years."

In November 2019, Mineral Resources and Energy Minister Gwede Mantashe called on foreign investors to invest in South Africa's first liquefied natural gas (LNG) hub. This hub is situated within the Coega SEZ.

Dr Vilakazi is delighted to receive that support from Minister Mantashe, and says that the LNG Hub is of great importance to the Coega SEZ's plans for the future.

"The call by the Minister is certainly in line with the various activities the CDC has been undertaking in the past couple of years to advance its gas readiness capabilities and investments focused on a long-term. This is a crucial issue particularly for the industry, because it is not only an opportunity to invest, but to develop gas industry in the country.

With an established market for LNG within Coega, the CDC, in collaboration with the Eastern Cape provincial government, has put in place extensive gas market analysis and preparation to enhance Coega's readiness for the implementation of high impact energy programmes towards an integrated gas economy.

The significance of the Eastern Cape is that it is endowed with the possibility of both onshore and offshore gas, gas-driven power generation, and gas importation, handling and trans-shipment infrastructure, as well as industrialisation. Potential recoverable quantities of indigenous natural gas are in the order of 20-trillion cubic feet onshore (shale gas), and 26-trillion cubic feet offshore.



"Our success as reliable suppliers of energy for economic growth and human progress will be determined on how well we stay focused on a long-term and the shared commitment to continue investing."

Another success for the CDC is its Nelson Mandela Bay Logistics Park (NMBLP). In 2008, CDC diversified its product offering to include the 216-hectare automotive supplier park, namely the Nelson Mandela Bay Logistics Park (NMBLP).

It is operated and managed by the CDC. The Park is divided into Precinct A, occupying 56ha, and Precinct B, 160ha. It aims to provide a total business solution to investors and tenants in a safe and secure environment.

The total business solution includes land and buildings for lease with a shared 24-hour security service in an enclosed and fenced area in Uitenhage, which is part of the NMBM, Dr Vilakazi says.

The strategic objective of the NMBLP is to assist the local automotive sector to become more competitive and sustainable in the long term.

The NMBLP provides the following advantages: cost effectiveness as a result of shared services and the resultant economies of scale; customised infrastructure for the tenants that will improve workflow and optimise the operations; and access to shared facilities such as—logistics, IT, training facilities, canteen services, and security services.

Since inception, tenants in Precinct A of the NMBLP have created 2,049 operational jobs and have also invested R1,185-billion, which translates to 1.73 jobs per million Rand in private sector investments—which is high for manufacturing.

In response to investor-driven demand, the CDC is focusing on expanding the NMBLP by opening up of Precinct B to accommodate current tenants that have expressed interest to expand and new future tenants.

"The further development of the NMBLP will enhance the competitiveness of the automotive sector in the Eastern Cape. The development of Precinct B in the NMBLP will result in the addition of approximately



81ha of serviceable land for potential future investments by the automotive sector and associated industries. The development of Precinct B will be phased-in depending on investment demand."

Despite the great work that the CDC is doing to create jobs for South Africans, there is a worry that the 4th Industrial Revolution will start seeing more and more jobs becoming automated, which leaves human workers in the lurch.

Dr Vilakazi believes that the need for human intelligence in the workplace will never fall away and feels that adapting to the changes in how the world operates will be beneficial for everyone.

"We need to understand that the 4th Industrial Revolution is most effective when combined with human talent and

not when it is just used as a replacement," he says.

"It is important to reiterate that in most industries, technology could enhance the abilities of human employees rather than substituting them. But in order for that to happen, human workers will need to develop skills outside of their traditional remit.

"Companies which will be most resilient are those that embrace digital transformation, adapt to changing world, and take advantage of the opportunities offered by new technology."

South Africa is a better place because of the work being done by the CDC. While economic challenges continue to plague the country, there is light at the end of the tunnel with organisations like the CDC in existence. **BBQ**

The digital African economy

Inclusive, transparent and accountable





Blockchain technology holds the key to building an inclusive global digital economy and plays a critical role in strengthening economic resilience while ensuring the global economy works to the benefit of all.

Doing business in Africa is still a double-edged sword; despite the steady economic growth, there is still the inability to leverage this growth into sustainable development policies and plans.

The continent is crippled by corruption and blockchain technology might not be a one size fits all solution however it does provide foundational technology that promotes trust, transparency and stability. And its immutable nature and transparency, security, and network integrity are amongst the few factors that make is a logical solution especially as more people value transparency, traceability, accountability, and are seeking investment opportunities.

Unfortunately, for Africa to grow and succeed there needs to be 1- a mental shift and 2 - technological improvements but for tech entrepreneur and Managing Director of African Investment and Technology company, Cryptovecs Capital, Mr John Lombela, blockchain technology could be the answer to Africa's woes.

Blockchain technology allows everyone to actively participate as an investor by leveraging its underlying infrastructure and investing in assets that are tokenized makes is a viable solution for Mr Lombela. And even though access to technology is still a stumbling block, Mr Lombela strongly believes that Africa doesn't lack telecom operators and that every single African country today has some sort of Internet access, which means that it lacks implementation.

"Reality is that technology depends on how well the infrastructure is, however, it's estimated that 70% or more of the African

population still uses the old fashioned way or earlier forms. That is where the problem is. Despite this, places like Kenya, have shown resilience in implementing the M-Pesa application, which happens to be the most successful case in the world, way above Americans when it comes to utilising technology, mobile phones and feature phones for transactions.”

“So basically when it comes to investing in technology, Africa needs to realise that the greatest wealth is created by being an early investor in innovation. Making such investment requires believing in something before most people understand it.”

Mr Lombela says that Africa should learn from technologies companies such as Google, Facebook, Netflix that managed to achieve massive success and higher market capitalisation through various iterated investor rounds ranging from private investors to public investors post the IPO that resulted in benefits that range from half a billion dollars to almost a trillion dollars market capitalisation.

“But once again these investment oppor-

“ People need to be educated and adopt so they become accountable for things when they go wrong

tunities are unfortunately not often easily accessible to the masses and let alone accessible to African countries. There are several criteria required by the Securities Exchange Commission of the USA that would not let anyone participate publicly in such investment opportunities.”

Xhead: Jumping on the bandwagon

Blockchain technology is currently disrupting every industry sector and reshaping the future of our economy.

Purely because the principles of the Blockchain economy include:

- Network integrity
- Distributed power
- Value incentive
- Security
- Privacy
- Preservation of rights
- Global inclusion

All of these factors are making it easier for African countries to jump in and embrace the promises of this technology by allowing themselves to:

- Reinvent their financial services and democratise the way banking and investing is currently done and broaden the reach by allowing other participating members to become participants in the ecosystem.
- Stimulate the economy by allowing more money to flood into projects that require investment, and allowing anyone to invest;
- Create new business models based on the blockchain technology that would disrupt existing traditional or modern business models;
- Solve the prosperity paradox for economic inclusion, business and entrepreneurship;
- Rebuild governance and strengthen democracy;

Regardless of the benefits that Blockchain technology offers there is still the question of governance and accountability and how individuals will be held accountable for their actions.

For Mr Lombela, this is where education plays a critical role because people need to be more educated about the digital future especially the 4th Industrial Revolution (4IR) and the danger of not adapting and evolving. Blockchain is part of the 4IR and so is Artificial Intelligence (AI), Machine Learning and the Internet of Things (IoT) just to name a few. “People need to be educated and adopt so they become accountable for things when they go wrong. And importantly blockchain technology and its designs exist to remove



frictions between 3rd parties to allow algorithmic code to validate the veracity of the information.”

With the three different types of Blockchain: public, private and hybrid—the nature of the blockchain technology is that computers (also commonly known as nodes) connected to a blockchain network are there to validate the information transmitted over the said network before it can be permanently recorded as the true version of the information that has been submitted.

Once it has been written in the ledger, it is now immutable and can never be reversed, this introduces a new notion of self-governance eliminating the need for 3rd party interaction which eliminates corruption. There are pros and cons but this isn’t reason enough not to enthuse blockchain technology.

“Even though the world has bought into the idea of blockchain and is implementing it wherever that makes sense, education still needs to be instilled



because not every business model requires blockchain technology.”

And not everybody has the skills needed to implement, and maintain this, fortunately, there are many smaller initiatives providing education and training, particularly in Nigeria and Kenya. And South Africans can look forward to Mr Lombela’s new Johannesburg based Blockchain Incubation Hub that will be launched in April.

Listening to Mr Lombela talk it is evident that he loves that the Crypto and Blockchain community projects involve global communities, without which, most of these projects would not be economically valuable.

Xhead: Is blockchain technology the future?

According to MR Lombela, blockchain technology will allow us to bring in the necessary investments that would help us develop every possible infrastructure needed to transform Africa’s economy. This

will enable us to achieve this by democratising investment through a Trust Protocol (blockchain) and enforce transparency.

Keeping money in the bank that will yield no significant interest is no longer viable. People want to be part of a great project with a global and social impact that has the potential to yield multiple returns to his/her initial investment which is why more people are enticed by Blockchain-related projects as opposed to keeping money stuck in the bank.

However, when it comes to the crypto world, it is a lot trickier than that. Mr Lombela explains that one of the biggest setbacks of the Crypto world is that if you lose access, chances are you may lose everything forever. But new business models are being developed to ensure that users are protected fully from end to end, it all depends on the solution you’re seeking to implement.

For Africa to fight against corruption it will need it to embrace technology that can improve and change the way many of the

political leaders perceive using systems. And for it to succeed there needs to be governance within corporate entities and or government bodies.

A complex solution because the former would need to abide by the attributes of the technology to allow its internal processes to be stored on a ledger they can trust, thus enforcing rules and opening up to the world transparency and traceability.

While the latter (governments), would need to follow the same approach as corporates, yet enforcing regulations on what exactly these technologies should be used for, especially because currently in South Africa and many other parts of the world, bitcoin (with a lower b representing the digital currency and sitting on the Bitcoin Blockchain Network, capital B symbolising the technology) is not accepted as legal tender. 

John Lombela, Managing Director of African Investment and Technology company, Cryptovecs Capital

Tax Season

With the end of tax season fast-approaching, you've probably started to hear a lot from Section 12J funds –as several of them head towards their latest capital raising rounds, ending 28 February 2020

The growing noise around Section 12J comes amid its rising prominence as the fastest growing alternative asset class in South Africa. Ever since Section 12J came into being in 2009, it's been estimated that over R8bn has been invested in local Venture Capital Companies (VCCs.)

The strength of Section 12J is that it enables investors to receive tax deductions in return for providing much-needed capital to SMEs. At its heart, this legislation is about powering up the South African economy through funding entrepreneurs and helping to create much-needed jobs.

But while this asset class is heating up, many a prospective investor might be wondering where to start. Listed below are four overarching considerations an investor needs to bear in mind;

Personal circumstances

Your personal financial circumstance is a key factor in determining how you go about approaching Section 12J. As a starting point, your level of taxable income determines the tax benefit you receive in the year of investment. If you are in the highest tax bracket (45%), for every R100 000 invested into a Section 12J, you will receive a tax deduction of R45 000, which means that your risk capital is R55 000. Individuals and trusts can invest a maximum of R2.5m each year, while companies can invest up to R5m. Other key questions to consider include the percentage of your overall investment portfolio that are you willing to put into Section 12J, the kind of risk profile (high, moderate

or low) you're looking for, the investment time-frame of the fund, the capital growth or dividend yield you can expect to receive. An investment into a Section 12J VCC must be held for 5 years to retain the tax benefit.

General investment considerations

Once you've established your personal investment circumstances, you need to look at factors such as investment sector performance and growth considerations. Some sectors such as hospitality provide for medium risk and moderate growth. A Section 12J fund that is focused on building a new hotel can be expected to deliver reasonable and reliable returns over the long-term, while also spurring on the development of service providers and job creation in and around the hotel. On the other hand, higher risk sectors, such as tech-based funds, will naturally offer higher growth opportunities if they meet their full potential. Funds that operate in sectors like renewable energy have their own macro-economic policy considerations and are subject to changes in government policies—which work well for this sector.

Fund specific considerations

Each fund in the Section 12J space is unique. Apart from the fact that VCCs can operate in a myriad of sectors, they each have their own minimum investment amount—ranging from R100, 000 to R1 million. All funds also have different deployment timelines which are determined by the investment pipeline. In addition, a fund's investment exit strategy, as well as its level of investment

reporting, are key points for the investor to consider.

It is also essential to look at who the administrator of the fund is, as compliance, legislation, and governance are critical.

Fund Manager credentials

Finally, when looking at investment opportunities it's important to look carefully at the Board of Directors when the fund was established, the previous levels of capital raised, the makeup of the investment team, the performance record of the Fund Manager, and overall reputation and credibility.

All of these considerations are key when it comes to deciding which Section 12J to invest in.

To learn more about Section 12J visit grovest.co.za. **BBQ**

Jeff Miller, CEO Grovest

Jeff Miller is the CEO of Grovest—the pioneers of the first operational Section 12J fund, the administrator for 40+ funds (largest in the industry) and promoters of 10 in-house funds. Jeff holds a B.Com B.Acc CA, specialising in Accountancy and Finance and with over 30 years of investment experience, is a member of the sub-committee of SAVCA and member of the 12J Association. He is a start-up specialist, having founded numerous companies, including, Brandcorp, KNR Flatrock, Balboa Finance, Born Free Properties, Eurosuit, Bride & Co, Redwood Capital, and Seed Engine.

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WE ENVISION



GeoPoint Africa is dominating the anthracite market

'Hakuna Kucheza' the compass to success

The mining sector remains the backbone of the South African economy and the lack of foreign investment has hurt the industry in recent years. Unfortunately, when the mining sector gets hurt there are always dire consequences such as job losses, and that generally affects the most vulnerable amongst us.

BBQ magazine sat down with Topman Ngonyama, CEO of GeoPoint Africa to see where the industry is going and how GeoPoint Africa is maximising its opportunities within the marketplace.

Could you please give us a breakdown of your working and educational history?

I hold a BSc Honours Degree in Geology & a Mining Entrepreneur by profession, with over 16 years' experience gained from various projects ranging from grass-roots exploration to mine development. Before establishing Geopoint Africa in 2009, I worked for a number of Mining & Exploration companies including Anglo American, Ridge Mining, Platinum Group Metals and few Consulting Companies.

My unconventional entrepreneurial approach to opportunities gleams within the extensive resource development experience that I have acquired over the years.

The Group achievements include amongst others, setting up a portfolio that boasts about 18 projects throughout Africa using an in-house seed fund.

My vision is to foster the development of a large multi-commodity portfolio through

strategic partnerships and to position GeoPoint Africa as a world class mining powerhouse.

Our philosophy 'Hakuna Kucheza!' which means 'no playing' in Swahili is our compass to success.

GeoPoint Africa has been around since 2009, what would you say have been the biggest changes in the industry?

Mining has been the economic backbone for South African economy and the main magnet of foreign investment in the African continent for the past few decades. With slow economic growth coupled with increased government policy and legislation uncertainties, we have seen a serious decline in Exploration Capital which resulted in few discoveries and shortage of new projects.

Following that, what are some of the biggest challenges you have faced, or still face within the industry?

The biggest challenge that we have faced over the years was the raising of capital, especially for projects that are based in other African countries. Compliance in all countries that we are operating from, except South Africa is a moving target with frequent regulatory changes in economic, industry and operating conditions.

Ongoing uncertainty about new regulations and legislations is a big challenge and demand a more strategic approach to compliance management.

This is a costly exercise for companies like ourselves, e.g Geopoint developed a



very good Copper_Lead_Zinc project in Tanzania and started production of copper raw material to test the appetite of the market, but the government unceremoniously put the ban on export of raw material in favor of beneficiating the product locally. This has caused a serious financial strain on the company's balance sheet.

We are recently out of 2019, a tough year for many businesses, how would you describe the business year for GeoPoint Africa and what are you looking forward to in 2020?

2019 has been a tough year for Geopoint Africa as it was for many companies in the sector. We invested a lot of time and resources on developing several projects and we believe a few projects are 'ripe for harvest' and this will make 2020 a year of harvest.



We are also looking forward to commissioning of one of the rotary kilns to beneficiate Anthracite/Limestone.

By 2022 GeoPoint Africa wants to be the largest Anthracite producer in Africa – please tell us how you plan on achieving this?

Geopoint Africa is currently developing over ten Anthracite assets (Green/Brownfields) in Kwazulu Natal with an aerial extent of over 25 000 hectares, and an in-situ resource of over 100million tons.

Some of these projects are at advance stages of exploration and should the company obtain all statutory authorisations from Government Departments, development will commence before the end of 2022.

A planned production of over 200 000 tons of Anthracite Raw material is expected on the last quarter of 2022 and that will make Geopoint the largest producer of Raw Anthracite Coal in Africa. This will surpasses the current production rate for Zululand Anthracite Colliery (ZAC), South Africa's sole producer of prime anthracite.

There are very few companies that are currently conducting exploration on the Anthracite type of coal.

What are some of your other short and long term goals for GeoPoint Africa?

Geopoint's three main cardinal pillars are to establish Exploration, Mining and Beneficiation operations in Africa. The company has successfully put together a multi-commodity portfolio of exploration projects in Africa, and is busy developing them using as in-house seed funds and human resources capital.

Its short-term plan is to strengthen its mining division, have the necessary in-house mining equipment and human

resources to tackle all our mining projects internally.

The company's long-term plan is to setup beneficiation plants to add value on all products that we shall be producing, in order for us to create much wanted jobs in the countries that we operate from. Detailed viability studies have already been conducted to assess the feasibility of setting up an Anthracite Calcination Plant in Kwazulu Natal and Limestone Calcination Plant in the Northern Cape.

How would you say the 4th Industrial Revolution has affected GeoPoint Africa as well as the rest of the industry?

The concept of the digital mine is nothing new, but implementation of digital technologies in the mining sector has been moving at a slow pace for number of reasons.

The fourth industrial revolution is the most urgent business problem facing the sector going forward and addressing the issue as well as getting the sector ready is key to resolving productivity challenges.

Miners generally have historically failed to educate stakeholders on the importance of mining and improving mining practices. Geopoint staff compliment is made up of young and experienced professionals in their respective fields. Training of these young professionals is an easier process than having to train older people who are still stuck on the technology of the first industrial revolution.

The ways in which the fourth industrial revolution is implemented are through processes, systems and infrastructure. In this regard, this industry needs to deploy processes, systems and training to monitor the movement of people, machines, rocks and slopes underground, something that is not as easy as it is the case in other sectors. The fourth industrial revolution will not be possible without

production of certain strategic minerals that Geopoint is currently developing. These include Graphite, Tin, Tantalite, Tungsten, Calcined Anthracite Coal, REEs, Copper, Lead and other commodities that we are prospecting on the continent.

GeoPoint works throughout Africa, other than South Africa, what are your biggest business locations?

Geopoint has projects in Tanzania and Uganda, having worked on several other prospects in countries such as Zimbabwe, DRC, Mozambique and Congo.

Please tell us a bit more about the services GeoPoint Africa provides and what sets you apart from your competitors?

Geopoint provides a broad range of services to cater to any need required for mineral resource development and is currently involved in the entire mining value chain. What sets us apart from our competitors is that we can develop a project from grassroots exploration, obtain all necessary statutory authorisations from government departments, mine and beneficiate the product using in-house skills and machinery. Outsourcing of services is only done to meet the specific requirements of the International Reporting Standards/Codes.

Over the years we acquired our own suitable Exploration and Mining equipment with a view to maximize our target generations capacity, and establish our own mining and beneficiation divisions.

Geopoint has over the years established extensive networks in most of the geographies of interests in Africa. We have clear mineral choices, driven by market fundamentals and we know where and more importantly, how to win in Africa. Human capital is our main base of competition. 

Taking substations to the next level

Pasgro: Offering turnkey solutions to the building of substations and power lines

With the power crisis in full swing in South Africa *BBQ* magazine sat down with Patla Sekgala from Pasgro to find out how the power crisis can be rectified, what Eskom needs to change and finally, what Pasgro is all about.

Please tell us a bit more about your background, both from a working and educational perspective.

I completed Electrical Engineering diploma at Wits Tech (UJ) in 1998 and Finish B.tech in Power Engineering with TUT in 2017. Started working in 1998 as an Engineer in training for De Beers Venitia Mine, but quickly left to start with my B.tech in 1999 at TUT, which I did not complete at that time.

I then worked for Consolidated Power Projects as a Trainee Engineer and then as a Project Engineer from 2000 to 2003. Towards the end 2002 I toyed with the idea of running my own business and got together with a couple of guys, and kick started the idea. The business was registered in January 2003, named Boipelo Engineering cc and I have since worked for the company as a CEO.

How long have you been in your current position for Pasgro?

I have been the CEO of the company since 2003 (17 Years)

Could you please talk to us about Pasgro and the services you offer?

Pasgro (Pty) Ltd started in 2003 as Boipelo Engineering cc, then converted to a (Pty) Ltd and changed the name to Pasgro (Pty) Ltd in 2012.

Pasgro started to service variety of services in the power utility industry, our clients include Parastatal, Government Department, Municipalities and Private sector. We offer turnkey solutions in the building of substations and power lines up to 132kV.

Our Services includes:

- Power transmission network infrastructure development
- Power distribution network infrastructure development
- Protection and Automation Systems

- Electrical network reticulation, both overhead and underground
- Tractional substations and overhead track equipment (OHTE)
- Electrical maintenance contracts
- Industrial plants maintenance
- Electrical security and flood lighting
- Electrical earthing and lightning protection
- Fiber optic cable design, supply, installation and commissioning
- Fiber optic cable maintenance contracts

Pasgro is involved with Fibre Optic Cable and the maintenance thereof—how would you say fibre is doing in South Africa and how long before the entire country can connect via fibre? What makes fibre so much better/faster?

Pasgro (Pty) Ltd is involved in fiber as far as the communication between different substations where radio frequency or copper was





formerly Boipelo Engineering (Pty) Ltd



Veeplass 33/22kV Substation, client: Eskom LOU

employed previously. Radio frequency is more susceptible to noise in this application, which does not always work as well as fiber where copper is easily stolen.

As we have entered 2020, how would you describe 2019 from a business perspective for Pasgro?

The South African Economy has not been doing well in the recent past, given this economic condition. I will say we have done exceptionally well, given that we still grew our revenue and profit. Where most of our competitors have been shedding jobs we have managed to retain all our staff.

What are some of your long and short term goals in 2020 and beyond?

To us 2020 is about diversity, we want to grow our property portfolio and build our steel and fence manufacturing wing.

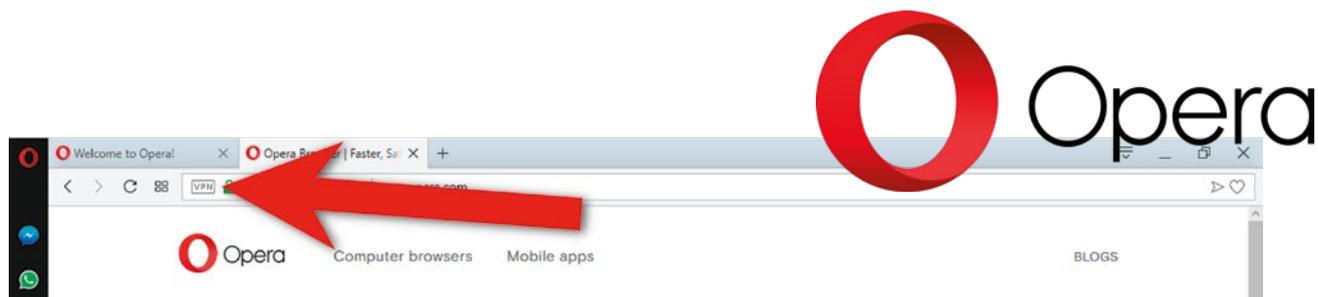
The current power crisis in South Africa has the country heading for disaster— what would you say are the solutions to these problems?

I strongly feel that something must be done about Eskom—a competent board must be appointed which is run by majority of engineers who have Eskom experience. The issue of IPP must not be rushed, if Eskom cannot afford it now, why rush? Why does Eskom prefer IPP for renewable energy instead of building their own plants? The solution for me will be the following:

- Increase efficiency for both the plant and human capital in order to increase profit and reduce expenses
- Curb corruption
- Appoint people based on their capacity to deliver
- Encourage people to consume more of their product not less.

What would you say gives you the edge over your competitors within the industry?

- We have invested a lot of time in our people in terms of training and development
- We have diversity of services and clients
- We focused in what we know and highly competitive
- Our staff is young and highly mobile
- We re-invest a lot of our profit back in growing our business 



High data prices remain an obstacle for African smartphone users

How transforming SA's mobile data landscape is key to unlocking digital opportunities for the African continent

During the 2020 State of the Nation Address, President Cyril Ramaphosa announced increased efforts to reduce the price of South Africa's pre-paid monthly data bundles. These efforts are focused on introducing data price discounts across the country's mobile network operators, for low-income households. A free daily data allocation and free access to education and other public interest websites was also proposed.

The success of this initiative would effectively enable South Africa to capitalise on digital opportunities, which are sweeping across the globe at a rapid rate. These opportunities can potentially reverse the low levels of economic development, realise inclusive growth and ultimately connect the unconnected.

A report by GSMA's The Mobile Economy 2019 forecasts that by 2025, 300 million more Africans will use the Internet. The report indicates that there were 456 million

unique mobile subscribers in Sub-Saharan Africa by the end of 2018, an increase of 20 million over the previous year and representing a subscriber penetration rate of 44%. In addition to this, around 239 million people, equivalent to 23% of the population, use the mobile internet on a regular basis.

High data prices remain an obstacle for African smartphone users

Despite the continent's accelerated drive towards a digital future, high mobile data prices remain an obstacle for millions of Africans, limiting smartphone users' ability to access opportunities, including access to quality jobs accessible via online job portals, digital educational material and the ability to connect with loved ones over social media.

The need to break down this long-standing data pricing barrier has been echoed by the Competition Commission, which, as part of its Data Service Market

Inquiry Report, found that Vodacom and MTN, the country's two largest mobile network operators, are overcharging customers by as much as 30% to 50%. The Commission is currently in negotiations with the mobile operators to find ways to lower the price of data.

The National Development Plan: Vision 2020, which sets out a holistic approach to confronting poverty and inequality, highlights how the high domestic cost of broadband internet connectivity is a major hindrance, and how all South Africans should be able to acquire and use knowledge effectively. The Plan further highlights the need for a better-structured information, communications and technology (ICT) environment aimed at ensuring that South Africa does not fall victim to a "digital divide".

The Commission and ICASA expected to make parliamentary presentations on their success in pressuring the country's mobile network operators to reduce the cost of

data on 2 March 2020. The Commission's presentation is expected to include the outcome of negotiations with Vodacom and MTN to reduce their tariffs, especially for prepaid data bundles.

Accessing digital opportunities to accelerate Africa's digitisation

In order to bridge the digital divide and connect even more African smartphone users to digital solutions that stem from the internet, Opera has followed its Africa First strategy and accelerated the growth of its user base in the African region.

In the Q1-2019 edition of the State of Mobile Web report, Opera revealed that its African user base had grown by 26% over the year, reaching nearly 120 million users in the region.

Realising the need to make the internet more accessible to users, Opera has moved beyond being a browser and stand-alone news app developer, focusing on enabling African smartphone owners to overcome

the challenges associated with the high price of mobile data.

Through data compression technology, Opera is capable of pre-processing and reducing the amount of data from a website before it reaches users' phones, which prolongs the lifespan of the users' data. The browser has proved to be a popular choice across the African continent due to its unique technology, which can save users up to 90% in mobile data.

The most recent analysis on data compression showed that during 2019, people using Opera products in South Africa could save more than six million gigabytes of data while browsing, thanks to the data compression capabilities of Opera's products.

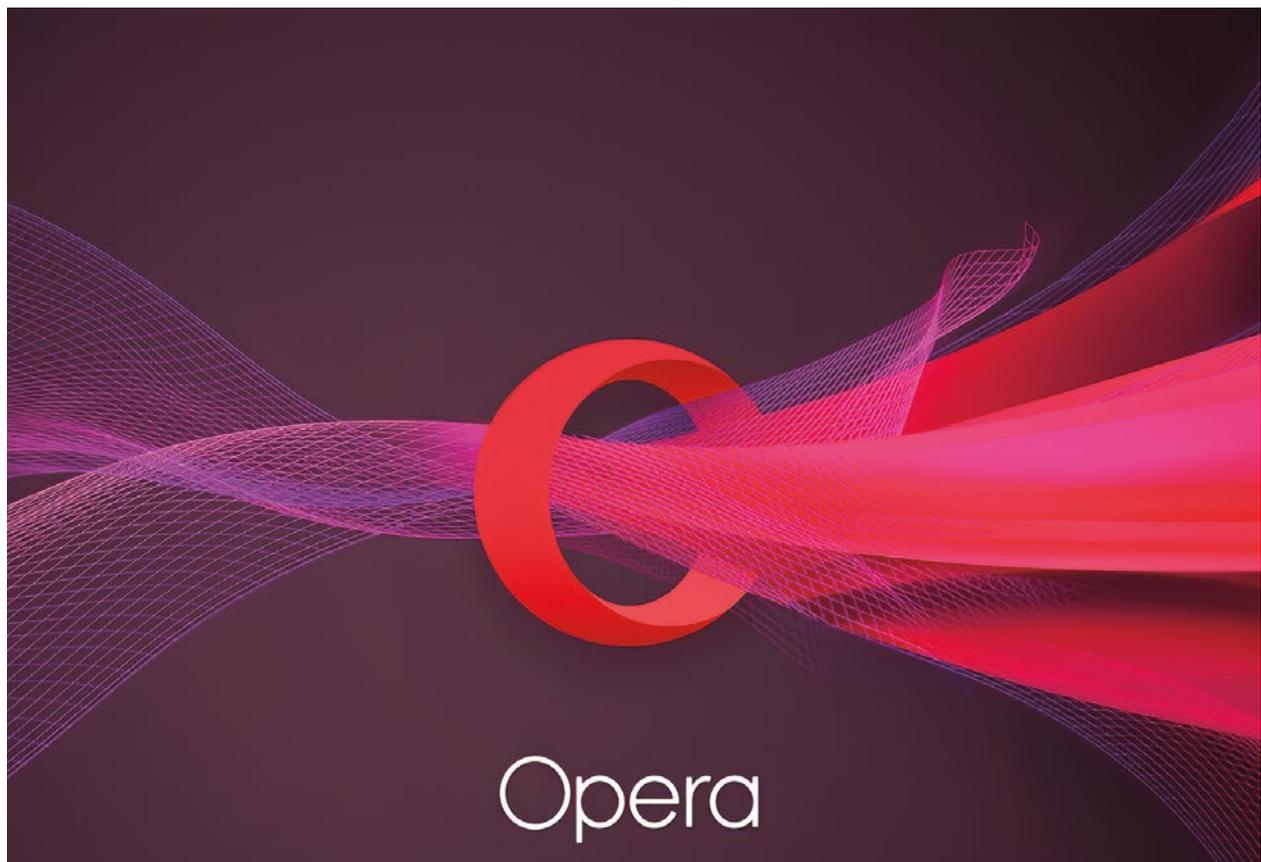
Through reduced data prices, the relationship between smartphone owners and the internet can be transformed, overcoming the challenging high cost to connect which has hindered the progress of many of the continent's citizens and industries.

In countries like Nigeria, Opera has already taken a step forward on making data costs more affordable to people. We have achieved this by working closely with telecommunications companies like Airtel and MTN offering unique data packages together, and by giving away free browsing everyday.

They are in the process of rolling out this successful strategy in Kenya, Ghana, Zambia, Uganda, Tanzania and South Africa.

The 21st century is being reshaped by the internet. The price of data needs to be lowered to enable Africans to not only connect to but also embrace the wealth of digital opportunities it makes possible. In doing so, inclusive growth can be promoted, and we can connect people and businesses to a digital future of tools and opportunities. **BBQ**

Jørgen Arnesen, Head of Marketing and Distribution at Opera





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Skills Development through Lesedi's Skills Academy

Lesedi views skills development as an integral part of their Transformation journey. We thus, endeavour to continuously train and uplift not only our employees but the unemployed youth who will in future have an opportunity to actively participate in the economy. The Academy up skills employed and unemployed learners providing them with formal artisan training in Mechanical Fitting and Boiler-making programmes:

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Our greatest assets are our people, teamwork culture, strong and accessible leadership, and high standards throughout business processes. Lesedi offers Management Development Programmes to better equip our employees.

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We had a total of 25 employees successfully complete their course and graduated this past December 2019.



ADOL & HCMP 2019 Graduates

Thriving in a competitive industry



Kevin Ndinguri: The new UM Africa MD with an eye on Africa's potential

The marketing and advertising industry is hugely competitive, which is something new UM Africa MD Kevin Ndinguri thrives on.

Born in Kenya, Kevin moved to South Africa in 2001. He went on to finish his schooling in South Africa, before completing a Bachelor of Arts degree in Media Studies and International Relations.

As is the case with most people fresh out of tertiary education, a career path is far from mapped out, but a chance internship at Starcom Media Group and the mentorship of Eve Pennington would set the ambitious Kevin up for a stellar career in the marketing and advertising industry.

The sports lover, who has a soft spot for Manchester United, worked his way up the ranks at various agencies before taking on a new challenge at UM Africa in 2018. He was appointed MD of the company just a year into his tenure.

His new role, understandably, comes with its challenges, but these are the challenges Kevin loves taking on. While he is under no illusions that growing UM Africa will be tough, he is of the strong belief that UM has the people, tools and technology in place for that to happen.

"In the short term, we have to build on our commitments to our current clients. It's all well and good getting new business and growing the revenue line, but in the short term it is about how we take our current clients and continue to deliver on their business objectives," Kevin says.

"In this era of agencies being pushed down on retainer or commissions, you





have got to really show what value you can bring to the table in order to shift the conversation away from how much a brand is paying, and rather to how much value they are receiving. So, I think that will be important for UM Africa in the short and long term to show that and to really deliver on being a media consultancy, not just a media agency."

The need to shift to a consultancy rather than a pure agency is not lost on Kevin. Offering consultancy as part of the package adds a lot of value to the brand buying into the vision of UM Africa.

"I think there is a lot of work to be done in terms of building the profile of UM Africa in this market. While you can do that with PR and media relationships, another part

of it comes with how we take the story of what UM Africa is to clients out there and start showing them what difference we can make to their business", Kevin continues. "We are not here to just drive media results and media KPI's, any agency can do that. UM Africa's proposition is built around delivering Better Science, Better Art and importantly, Better Outcomes to our clients whilst entrenching ourselves as a real business partner to them, just like they would if they were to go and partner with a consultancy like a KPMG, EY or Deloitte. I think we have a suite of tools, technology, research, and people that are able to compete in that space.

Advertising/Marketing spend is continually under pressure especially given the

current economic challenges we are facing as a country. However, Kevin is of the firm belief that if what you offer is of true value to the brand you are wanting to attract, then that spend will remain consistent. The key is making sure prospective clients know exactly what they are getting in return.

"With clients dropping their spend, I think it still goes back to being able to show them how you can optimise this lower budget to still achieve effective results. Some of our current clients—very successfully and through our tools and our capabilities, are still achieving their goals, despite this drop in spend," Kevin says.

"It is so important to go back to the conversation about value. You can be in an environment where your advertising budget has dropped, but how can we as an agency still achieve results that will enable the client to drive the bottom line? That is what we strive to do."

In terms of what the future holds for UM Africa, the clue is in the name. While South Africa is home to the agency and consultancy, Africa is still very much a priority—and Kevin is relishing the chance to sink his teeth into it's ever expanding potential.

"Africa has massive potential for us as a business. We've got a lot of clients that are doing a lot of work in the continent and as a business we have also invested quite heavily in research across the continent. It is well known that research in Africa is hard to come by," Kevin concludes.

"We use this research to drive strategy, to be able to inform and consult to current and potential clients on growth opportunities for their business across the continent.

"I think that's also a big opportunity and a USP for us in that we have got our own bespoke research that runs across all those markets.

"Africa is definitely, as much as South Africa is, a good growth opportunity for us in terms of UM Africa and really bringing UM Africa up in the ranks to start competing with some of the big players, but still maintaining its niche of being a media consultancy."

With Kevin at the helm, UM Africa is in good hands. **BBQ**

The digital age on wheels

The last time I felt so much power in my hands was when I was driving the Maserati Quattroporte.

A beast on the road with the sound to boot. The CLS however is plain sexy, aggressive and not too loud. Put simply it's the executives dream car. This demon on wheels has a 210kW six-cylinder diesel engine which makes the sedan sprint from zero to 100km/h in a swift 5.7 seconds. Though I didn't quite get to those stats I must say I have no doubts about that aspect.

I had the CLS Coupe 400d 4Matic version on test. The vehicle is powered by a 2.9-litre turbodiesel six-cylinder engine. Power figures are claimed at 250kW/700Nm mated to a 9G-Tronic gearbox.

I have always been a fan of sedans so the CLS was already impressive before I opened the door. When I got inside the car, the real ticker kicked in; Mind blowing technology ushering Mercedes into the new era.

Driving Experience

When you first step into the CLS and find a good driving position you immediately know that this car will be fun to drive. The 20 inch AMG wheels do not have any influence on the comfort of driving, which was a rather nice surprise. All the luxury and features on the inside affirm the power of Mercedes in the digital age. You are connected to the world and the world is connected to you. The audio command function ensures you don't have to get your hands of the steering wheel. That in combination with fact that the Mercedes-Benz sees it all ensures safety is a top priority.



Nothing new but also impressive is the 360° camera that helps you park the rather big Mercedes in any space you want. We almost dare to say that Mercedes no longer needs a self-parking system. The cameras are so clear that every parking move is seamless.

Engine and Performance

At the moment, the CLS is only available with 4MATIC all-wheel drive system and three brand-new six-in-line engines, including two diesels and one petrol. In the CLS 350d 4MATIC the engine is good for 286 hp and 600 Nm of torque, in the CLS 400d 4MATIC you get 340 hp and 700 Nm of torque. The 450 4MATIC comes with 367 hp and 500 Nm of torque. The range topping CLS 53 AMG gets a 3.0L inline six

turbo engine with an output of 429hp and 770nm of torque.

The CLS 400d that we drove has a sportive character but that only shows itself well on straight lines. That is not saying that the car can't do the better cornering work, but it feels just better going straight. Nothing strange about that when you realise that the CLS weight is nearly two tonnes. When flooring the gas pedal the new diesel engine climbs into higher rpm and reacts with an overload of torque. All that is brought to the four wheels through a nine speed automatic gearbox. Result is a sprint from zero to 62 mph (100 km/h) in just 5 seconds.

This is simply put a fantastic metal creature. **BBQ**

Evans Manyonga



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