

# Leadership

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A beautiful mind

**EXCLUSIVE**

# Zwelinzima Vavi

## Shooting from both hips

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With Confidence

# Leadership

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The Congress of South African Trade Unions has always been a staunch supporter of the ANC, forming the third point of the tripartite alliance. As current leader of Cosatu, Zwelinzima Vavi has started getting people wondering about the future of that alliance.



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# Leadership

## This Month in History

**1187** – Saladin begins the Siege of Jerusalem.

**1522** – The *Victoria*, the only surviving ship of Ferdinand Magellan's expedition, returns to Sanlúcar de Barrameda in Spain – becoming the first ship to circumnavigate the world.

**1633** – Galileo Galilei is tried before the Congregation for the Doctrine of the Faith for teaching that the Earth orbits the sun.



**1884** – The United Kingdom ends its policy of penal transportation to New South Wales in Australia.

**1935** – Sir Malcolm Campbell reaches a speed of 304.331 miles per hour on the Bonneville Salt Flats in Utah – becoming the first person to drive an automobile over 300 miles per hour.

**1939** – World War 2: South Africa declares war on Germany.

**1950** – First appearance of the “Beetle Bailey” comic strip.

**1966** – In Cape Town, the architect of apartheid Prime Minister Hendrik Verwoerd is stabbed to death during a parliamentary meeting.

**1969** – A revolution in Libya brings Muammar al-Gaddafi to power, which is later transferred to the People's Committees.

**2001** – In an address to a Joint Session of Congress and the American people, United States President George W. Bush declares a “war on terror”.

### **Retraction & Apology**

In the August edition of Leadership, it was incorrectly stated that Stephanie Kemp was a Provincial Secretary for the ANC in Kwa-Zulu Natal years ago. This was incorrect as she never held that position and was in fact Provincial Gender Coordinator of the SACP. We regret the error and apologise.



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# Leadership

## The power play

Just as energy, momentum, charge and other physical properties of a system are conserved, so in a sense is power. If your goal is to reduce the power of one agency in the government, the most effective strategy is to strengthen the position of another.

We know that absolute monarchies are bad: they represent unbalanced power. Within a system, power will tend to consolidate. Undermining power in one section of an ecosystem inevitably strengthens the others.

Since we humans tend to think the grass is greener on the other side of the fence, and since power takes a little while to get properly abused, you can often see societies oscillate in the allocation of power.

When things seem a little out of control, we give more power to the police and other seurocrats. Then, when they become a little thuggish, we squeeze their power through regulation and oversight, and civil liberties gain in power until the pendulum swings again.

Any power can be abused. I had a very wise headmaster who used to say that the only power worth having was power that was worth abusing. This was not a call to the abuse of power, you understand, merely a reflection on the fact that power comes with the real responsibility of restraint.

So, if power can be abused, why do we tolerate it at all? Why not dissolve authority down to the individual? Because the absence of power leads to chaos which, ironically, is an easy place to establish despotic authority.

Power is not seized – it is given. We give people power over us. And in a state of chaos, all it takes is a few people to gain some power and they have a big advantage over everyone else. That is why early leaders in new ecosystems tend to become unbeatable very quickly.

Power clears the path for action. In a world with no power, little gets done at all. We are better off with large companies that have the power to organise themselves around a goal than trying to achieve the same goal with a collection of individuals; try making a Boeing from an equivalent group of artisans, and you will see what I mean.

Artisans form guilds and companies to increase their reach and impact. Individual volunteers join professional institutions to get more effective: consider the impact of handing out food yourself, versus helping sustain a network of soup kitchens, even in the purely non-profit world.

Having some clout on your side is nothing to sniff at, even if you have purely philanthropic goals. If you have all the power already, there is no spur to innovate. So kingdoms stagnate, eventually.

But power makes space for good things, too. It is the powerful (and rich) who fund the arts in most societies. Innovation needs breathing space; companies with economic power can incubate new ideas to the point where they become productive.

The trick is not to fear power itself but, instead, to shape, balance and channel it. You do not want to aim for the absence of power, you want the Goldilocks effect of having ‘just enough’.



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# Leadership

## The bucks start here

I come not to bury Rupert Murdoch, but to praise him.

When those in power direct their authority down the line, the ultimate result is credited back to the one on top. So, when something goes wrong, the scramble to shift the blame has reverberations known as 'passing the buck'!

Former United States president Ronald Reagan, in a solid reference to responsibility in leadership, had a plaque on his desk that read: "The Buck Stops Here".

The story of Murdoch is one of astute vision, leadership and a media empire built from humble origins in South Australia, to an awesome global network. It is a story of breathtaking innovation, bold thinking, focus and execution that has left competitors gasping, trade unions irate and investors enraptured.

In Paris today, *Le Monde* suffers from a strike-threatening union that could bankrupt the paper. (When managers went electronic, the union demanded two jobs for each new computer – one to type on the keyboard and one to look at the screen.)

In Britain, Murdoch famously closed his entire Fleet Street operations and moved to state-of-the-art, union-free Wapping, London where efficiency, speed and profits soared.

In Adelaide, he first initiated his front-page stories of scandal, writing the bold three-to-five-word poster headlines himself. Circulation soared.

Across Australia, then Britain, Murdoch acquired more newspapers, then entered America with galloping success. He reached into television, services, books and film, recognising that: "The world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow."

To shareholders, he is manna from heaven. News Corporation outstrips nearly all the heavyweight investment companies, even the 32% yields of Exxon.

Services bring in R9 billion; book publishing R9.2bn; satellite TV R26.6bn; network TV R29.5bn; newspapers (*The Times*, *The New York Times*, *Sun*, *The Australian*, *The Wall Street Journal* and many more) R42.7bn; cable TV (Fox News, National Geographic) R49bn; film (20th Century Fox) R53.2bn.

At 80 years of age, Murdoch continues to add value to brands, give high-level employment to thousands, and create wealth from nothing.

He could justifiably put a plaque on his desk that reads: "The Bucks Start Here".



ROYSTON LAMOND  
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# Leadership

## Our Rome has fallen; rise up, Africa!

*If all the barbarian conquerors had been annihilated in the same hour, their total destruction would not have restored the empire of the West: and if Rome still survived, she survived the loss of freedom, of virtue, and of honour.*  
– “The History of the Decline & Fall of the Roman Empire”, Edward Gibbons

The first week of August 2011 will probably go down in history as the time when the American dollar effectively and finally lost its status as the world’s foremost reserve currency. At the same time, European leaders were told by the market that it does not believe they have a credible plan in place to deal with the eurozone’s sovereign debt problems, and the streets of London were burning with rioters and looters running amok.

It seems our modern-day Rome has fallen – and cannot get up. The wolves of Wall Street are picking her bones, and China is clasping her hands up in her new role as Queen Quantity.

America is no longer the sweet land of liberty. It has become the land of the fee and home of the slave. How the mighty have fallen!

After the humiliation of the United States losing its AAA credit rating; after watching the American stock market descend into chaos; after living for two years in a \$15-trillion economy, unable to grow beyond 2%, with unemployment rates rarely experienced in the US – Americans have their first whiff of inhabiting an empire in decline.

It would seem as though the world of international financial relations will never be the same again, although it is at this stage not at all clear what a future dispensation will look like. What does seem quite certain is that a period of great uncertainty and financial turmoil lies ahead, in both America and Europe.

But it is not all doom and gloom for us down here at the tip of Africa.

The country with the world’s most sustained and strongest economic growth over the last four decades is in Africa – it is Botswana. In fact, the International Monetary Fund assessment establishes that the African continent will have as many as seven of the 10 fastest growing economies in the world over the next decade.

The McKinsey Report estimates that by 2030, the continent’s top 18 cities will have a combined spending power of \$1.3 trillion. These are the reasons multinational corporations can no longer afford to ignore the continent.

I still believe that Africa faces numerous challenges, but those who have the eyes to see beyond these challenges are taking the lead.

So put down that application for Perth, Canada or Sacramento: throw some chops on the braai and crack a Castle – it seems our time has come.



ROBBIE STAMMERS  
Editor

A stylized, handwritten signature in black ink that reads "Robbie Stammers". The signature is fluid and cursive, with a large loop at the end.

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Leadership

ZWELINZIMA VAVI

Viva Vavi!

**Z**welinzima Vavi is revered as passionately by labour workers in South Africa as Robin Hood was adored by the poor of Sherwood Forest.

And if that sounds a bit too romantic in a strife-torn society, with the general-secretary of the Congress of South African Trade Unions (Cosatu) fighting for the empowerment of the powerless and increased wages of marginalised workers, remember that Vavi is regularly referred to as a “romantic socialist”.

He is the moral compass of the African National Congress Alliance, which includes the South African Communist Party and Cosatu.

If the ANC was hoping for a yes-man in Vavi, it was sadly mistaken. He is a straight shooter from both hips, almost similar to Clint Eastwood in *The Good, The Bad and The Ugly*.

The comparison with a charismatic cowboy is not completely ridiculous. Vavi is an all-action man, and he has publicly bemoaned the lack of proactiveness in implementing key policies.

During the conference of Cosatu in Midrand this year, Vavi warned President Jacob Zuma that if he wanted to retain popular support, he must stop “dithering” and “zigzagging” about implementing policy initiatives. Vavi further wanted strong reaction, via an ANC-appointed

ethics committee, within days of media reports claiming tenderpreneurship or government corruption.

Cosatu vowed to set up its corruption watch as a way for the union to play an active part in the battle against corruption.

One of the worst societal problems, Vavi warned, was the emergence of death squads in several provinces – linked to corruption – and the murder of whistle-blowers.

“There is a real danger that if all this (corruption) continues, the entire state and society will be auctioned to the highest bidder, and we shall be on the slide toward a banana republic,” he warned at the conference.



**A new South African revolutionary**



Vavi is a passionate apostle of the policy that a new South African revolution is necessary to tackle the endemic crisis of poverty and a lack of education in the country in a more organised way



But Vavi, in his interview with *Leadership*, applauded the tough stance by the government against corruption and fraud.

He highlighted the fact that 16 departments and entities were under investigation for fraud, corruption and maladministration, according to the Special Investigating Unit.

But Vavi was critical of the speed at which public announcements were made by the government after the reports. One example was the report by the Public Protector Thuli Madonsela on tender fraud, and the time that elapsed after her announcement in which the government failed to react to it.

According to reports, embattled Minister of Co-operative Governance and Traditional Affairs Sicelo Shiceka said he was going back to his job, said Vavi. “But he has been blamed in the media for things that happened, like the R55 000 that was allegedly splurged at a Cape Town hotel in one night.

“But if you do not react in public to these allegations, and you allow time to elapse, you kill the confidence of the people.

“Government must be more decisive. We are all equal before the law, and government is not beyond reproach when it goes into corruption,” he added.

Vavi told *Leadership* that the principle of recall at any time – not only after five years have elapsed – should be implemented by the government.

The National General Council of the ANC, one of the most sobering voices within the party, has said that an ethics committee of the ANC should make a public pronouncement within days after allegations of corruption and fraud have been made in the media.

“The ANC has not done this,” said Vavi. “The consequences are twofold: if people read that Julius Malema has built a house of R15 million and there were allegations of fraud, it might ignite a youth movement where many might be in the race to become youth politicians as a way out of their own poverty crisis, and not in an attempt to serve the community.

“Secondly, people might ask: is this the type of organisation I want to serve and support?”

Probed into whether the strike season is not wrongly focusing on wage increases that match inflation instead of production, Vavi fired a broadside at the interviewer:

“Why do all these intellectuals asking the questions not expose the level of hypocrisy

among (chief executives)? People get bonuses of R50m, and people don’t question their level of productivity.

“Secondly, nobody acknowledges that, in South Africa, up to 90% of productivity is engineered by good managers. There is a level of responsibility to increase the level of creativity and productivity, and it rests with the managers.

“Thirdly, when workers improve their productivity, do they share in the wealth? Why has their share of wages continuously declined, from 51% of the gross domestic product in 1991 to 47% currently?” he asked.

Vavi is a passionate apostle of the policy that a new South African revolution is necessary to tackle the endemic crisis of poverty and a lack of education in the country in a more organised manner.

Cuba showed the way in the manner in which it aggressively tackled a lack of literacy and erased it in one year, he claimed.

“We are not aggressive enough. Perhaps we were too caught up in the spirit of reconciliation after 1994 to launch a new revolutionary wave against poverty.

“There is a collapse of revolutionary conscience against poverty in the country,” Vavi added.

He warned that 25.5% of South Africans are without jobs, and that percentage would be upgraded to 36.6% if one understands that there is a certain percentage of people who are too discouraged to seek new job opportunities.

Of these job seekers, 73% are below the age of 35.

South Africa is sitting on a social time bomb as 400 000 people who finish Matric every year join the ranks of jobless people.

“We as unions, as government and employers cannot fail the country. We cannot cancel the careers and the lives of the young people in the queues,” said Vavi.

“Some people talk about a group of ‘unemployables’. I do not like the word ‘unemployable’.

“We have the responsibility to make them employable.”

He has been a passionate non-racialist who enthusiastically endorses the Freedom Charter.

Vavi was once hesitant to join the National Union of Mineworkers (NUM) because there was too much pan-Africanism in the movement, and he was more interested in non-racialism, he explained. “Every South African should be an ‘internationalist’. How can we be so indifferent

about the crisis in Somalia? We are bombarded by horrible images from Somalia.

“Where is Cosatu, the ANC, the South African Communist Party and the South African churches? Where is the South African Council of Churches?” Vavi added.

“Our crisis is not comparable to that in Somalia. We should be collecting the clothes of our own kids and load them to take them to Somalia. A movement like that starts small. Our biggest problem is a lack of revolutionary conscience.”

According to him, the church in South Africa has become weaker and weaker, and no longer is a moral authority as it was during the fight against apartheid. “I don’t know if it was impacted by factionalism, but it is a shadow of what it used to be,” he noted. “I don’t want to beat them to death, but they are not talking or speaking out against anything.

“The Bible has talked about the importance of throwing your weight behind the most marginalised. Currently, Cosatu is battling on its own and becoming the only voice in society. Where are the religious voices?”

Vavi said non-racialism was inspired by the South African successes of the 2010 Fifa Soccer World Cup event. “We saw a wave of non-racialism in Sandton, Cape Town and Soweto. South Africa could unite behind a common goal.

“Now we must get behind the Amabokoboko for the World Cup. But I have heard the jerseys come from China, and that has compromised all of us. We should be supporting locally manufactured jerseys.

“But sport is a builder of any nation, as Nelson Mandela said,” he added. “We can rally behind sporting heroes. When you are a Kaizer Chiefs supporter, it does not matter if you are white or black – it is all about the team and their performances.”

Vavi said that he enjoyed the fact about the Soccer World Cup that everything was organised in a quick, efficient way.

“Criminals were apprehended and sentenced in two days, like in Rustenburg. The World Cup has shown that we can be efficiently motivated people if we want,” he noted.

This gets Vavi back to his old hobbyhorse: the slowness to implement.

“China is action-orientated. We talk about green jobs, and then make a declaration. But for 10 years you might see nothing. We are not action-orientated,” he said.

“After 17 years, you still have people urinating in streets, a collapse of morality – and the root problem is a crisis of unemployment and poverty, which is not addressed with cohesive all-action by society.

“My frustration is that we know what needs to be done. Trevor Manuel and Cyril Ramaphosa made the National Planning Commission diagnosis. All of us have made the same diagnosis. But we lack action in South Africa,” Vavi added.

On the subject of Ramaphosa, he credits this man – who once was general-secretary of the NUM – as someone who deeply influenced his career.

Vavi was unceremoniously dumped as uranium plant clerk at the Vaal Reefs mine after a massive mine strike that in 1987 crippled the Chamber of Mines.

Anglo-Vaal at the time marched him to the Oppenheimer Stadium, gave him a severance package of R150 and bundled him into a bus to take him back to the Transkei.

They wanted to make an example of Vavi, and alleged that he was one of the instigators behind a murder in the mine and the damaging of some machinery. But he was on strike at the time and was not responsible.

He sued Anglo-Vaal, and received R100 in damages, he said.

When Vavi left by bus from the Oppenheimer Stadium on that fateful day in 1987, he jumped off and took a taxi to Klerksdorp. There he joined the mobilisation efforts of the NUM.

It was a slow rebuilding process, he recalled, because many of the shop stewards were extremely afraid of being man-handled by the mine bosses who tried to crush the NUM resistance.

“I had to go and see shop stewards individually in an effort to get them on board,” Vavi said.

“The NUM was brilliant in their attempts to rebuild the movement. Cyril was a lawyer, and a shrewd negotiator.

“To us, the NUM, he will always be a hero. I remembered how he was driving in an old BMW, and shop stewards once asked him where they could sleep for the night. He told them: You can organise that thousands join the NUM, but you cannot organise sleeping place for the night,” he related. “We caught the wave and reorganised the NUM.”

Vavi was elected general-secretary of Cosatu in 1999.

The 48-year old admitted he does not know his exact birth date, but a priest guessed that it should have been 20 December 1962. “My wife (he is married to Nikiwe, a personal assistant with the Commission for Gender Equality) always insists that we as family celebrate this date,” he said.

Born in Hanover, Vavi was a member of a family of 14. Two of the 12 siblings passed away during childhood.

He started schooling when he was eight years old, in 1971.

Vavi grew up in Hanover, and then moved to Sada in the Eastern Cape. This was hostile, barren land, which was annexed by the whites to add it to their farming land.

His political consciousness was shaped when political prisoners from Robben Island were moved to Sada. Around the fireplace in the evening, he heard firsthand accounts from his parents and the political prisoners about the monster of apartheid.

Vavi’s political career was launched in 1977 when he joined the wave of student uprisings in Queenstown, after the murder of anti-apartheid activist, Steve Biko.

“I remember how I walked 33 kilometres per day to organise people to become part of the party (ANC and Congress of South African Students),” he related. “I had 10 cents in my pocket. That was enough for half a loaf of bread and Kool-Aid,” he said with a laugh.

It was not uncommon for a youth organiser such as Vavi to work until four o’clock in the morning, which left him with four hours before school started the same day.

He recalled that when he joined the resurrection of the shop steward movement of the NUM in 1988, he stayed in a garage. “I still have the TV I used during that period. I don’t want to get rid of it,” he added.

Vavi, who acknowledged he was hot-headed and immature in the 1980s, has one wish list for South Africa, and that is that South Africans from all walks of life will reproduce the passion that was present during his Struggle days, to eliminate the scourge of poverty.

“We are living on borrowed time, in my view. In 2014, people might say they have done 20 years of freedom, and many of them might reach breaking point. We have to act now,” he concluded. ▲

*Fanie Heyns*



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# Marketing our country

## Miller Matola speaks of the vision for brand South Africa

**W**alking into the International Marketing Council (IMC) offices, one immediately gets the sense that this is a very serious and busy place. Miller Matola does not have much time to spare, and there is an urgent e-mail that needs to be sent (details are kept very confidential). While he tries to ensure I am set up and comfortable for our interview, he is also directing someone to send the e-mail, and paces up and down to check if it indeed has been sent.

On the wall of his office, there hangs a beautiful, proudly South African mosaicked portrait of former president Nelson Mandela, with the colours of the South African flag. The entire office space is decorated with South African crafts, including Ndebele beaded dolls and creative images that showcase South Africa's rich and diverse cultures.

One can only imagine how challenging it must be to market and manage the brand and reputation of an entire country.

Once the e-mail has been sent, the man tasked with the mammoth duty of managing the brand of South Africa sits down and speaks very firmly: "I've been with the International Marketing Council for just over a year now and I've found that, a lot of the time, when new leadership joins an organisation or company, they always want to change strategies."

Matola explains, "I don't believe that strategy needs to change because of new leadership: The

vision for South Africa has not changed, and it is still to rank among the top 20 nation brands in the world. We have merely made some additions to the original strategy to ensure we achieve the vision for the country."

South Africa currently ranks 32nd in country brand reputation rankings – out of 39 countries – and in terms of global competitiveness, ranks 45th out of 133 countries (according to research by the Reputation Institute and the "Global Competitiveness Report 2010–2011" by the World Economic Forum, respectively).

With a Bachelor of Arts in Education, Matola began his career as a lecturer at Vista University where he lectured for four years. Thereafter, he took on a project management course by default while working as a project manager at Technikon Southern Africa.

He was then awarded a scholarship by the United States Agency for International Development, to travel to the US in order to study curriculum design.

When Matola returned to South Africa, he was assigned to design a tourism course, which fuelled his interest in the tourism sector. Since then, he has worked with various organisations in the tourism and hospitality industry, including working with the Department of Tourism, Tourism KwaZulu-Natal and the International Convention Centre Durban, among others.

He says that marketing and managing a company or an organisation's brand and reputation is one thing, but marketing and managing the brand and reputation of a country is another.

Positioning and profiling a country calls for very strong stakeholder relationships. With nation brand marketing, there are more stakeholders to manage, a more diverse audience to address, and one has to be very firm in making decisions to be able to drive the team to enable it, in turn, to drive the message and vision for the country to target markets.

South Africa's positioning as a brand is a very complex one.

Matola says that before 1994, we were known for apartheid. After apartheid, we were known as the miracle country, and we owe this legacy to Mandela. He showcased to the world the great possibilities and the potential of this country – and in Madiba's words, indeed, "The sun shall never set on so glorious a human achievement."

He adds, "What Madiba has given South Africa has become the quintessence of this country: the values he has instilled, the Truth and Reconciliation Commission, ubuntu – all form part of what Brand South Africa is about and we will continue to uphold that, as it is a legacy that will outlive even future generations."

Looking at the history of Brand South Africa, although inevitable, current perceptions of the brand have been dictated by the events that have occurred in the country. Now, says Matola, we need to move beyond that and forge ahead in addressing the nation's development challenges and positioning ourselves more proactively – not as the miracle country, not as the victim of apartheid, but as the ideal business destination on the African continent.

A professional portrait of Miller Matola, a Black man with a mustache and glasses, wearing a dark grey suit, white shirt, and red patterned tie. He is smiling slightly and looking directly at the camera. The background is a plain, light color.

Marketing and managing a company or an organisation's brand and reputation is one thing, but marketing and managing the brand and reputation of a country is another

“We are going to take a very aggressive approach to driving our positioning to the world, to be able to influence a more proactive approach in repositioning Brand South Africa,” he adds.

Matola continues, “Because of the nature of the work we do, I’m very demanding in leading my team and results-driven, yet firm and fair. Decisions have to be made, and these are decisions that will affect the nation and impact on its economic development.

“We’ve made the decision to construct our own narrative of the brand and tell the story of business in South Africa to other countries to be able to attract them to what the country has to offer – and we aim to achieve this.

“It is true that South Africa, as a brand, has come a long way, and branding a nation is a long-term process. Most of our work is driven by sector-specific agencies, and our role is to create fertile grounds for their messages and to market sector stories in line with the vision and the nation brand goals,” he notes.

Matola explains that as brand marketing cannot exist in a vacuum, one of the greatest challenges with managing the brand of a country is the number of stakeholders involved in influencing perceptions of the country. The government and its departments, the public sector as a whole, individuals and Business Unity South Africa all play a part in building Brand South Africa.

To be able to position the brand and effectively market South Africa to the world, there needs to be effective leadership, efficient policies, systems and processes that deliver on the overall investment case.

There is a need for efficient service delivery throughout all industry sectors in the public and private sectors, and the role of the IMC is to ensure there is harmony in communication and positioning, and to ensure it leverages the areas of strengths in the country to attract investors into South Africa.

Much work still needs to be done to create basic awareness of South Africa’s offering as a business destination. Currently, the greatest challenge is to market it internally so that the people of South Africa – and people in South Africa – are able to make contributions toward marketing the country to external audiences by word of mouth to visitors, to Africa and to the rest of the world wherever they may travel.

Part of Matola’s aggressive approach to marketing Brand South Africa internally involves the IMC’s recently launched campaign, “Play Your Part”, an initiative that seeks to encourage all South Africans to use the resources available to them – whether time, money, skills or goods – to do something, big or small, to contribute to a better future for all; and which encourages South Africans to play a part toward marketing and building the brand and reputation of the country through their conversations and actions.

He says, “I believe in an inclusive and participative way of doing things, and that every single person in South Africa has a role to play in building and contributing toward making South Africa a great brand.

“Our approach to marketing South Africa is very inclusive; and with the ‘Play Your Part’ initiative and other campaigns to follow, our objective is to drive communication internally to get people to start talking about what’s great about South Africa, to showcase the possibilities of South Africa, and to ensure South Africans recognise the rich resources available in our country and to get them to start appreciating one another, and recognising the difference collective efforts can make in ensuring we build a successful nation brand – alive with possibilities.”

Matola notes that, in marketing South Africa as an ideal tourist destination, the IMC has been able to market the country effectively, both internally and externally; its greatest challenge, however, is that it has not done enough in marketing South Africa as a business destination. Too much focus has been placed on the country’s tourist offering, and the IMC is shifting focus now to showcase the resources South Africa has: infrastructure development, technology advancement, research and science, and other business areas of strength.

“In doing the work that we do, I’ve learnt that you have to allow people to tell you that you are wrong so that you become more effective – because the work that affects the nation and team effort becomes even more important,” he says.

Matola refers to a book he is currently reading, *Outliers* by Malcom Gladwell, and says it gives a great description of the factors that shape our success and the effect that our environment has on the outcome of our future.

“If we do not allow others to tell us we are wrong, we will never be able to become effective and successful,” he says.

Matola notes that, while building our brand, it is important to stay aware of the environment around us, of our neighbouring countries and how we can work together to lift up one another.

Looking at issues around xenophobia, we need to realise that our prosperity as a country is linked to the prosperity of surrounding countries, and we cannot build Brand South Africa in isolation of our immediate external stakeholders. “Our current mandate is to ensure we contribute toward working together in social cohesion, and create a more united and productive environment to attract investors to the country,” he says.

Matola adds that we cannot expect to get buy-in from outsiders when our own people cannot buy into the brand and live the brand proposition.

There are a number of countries with misconceptions about what Brand South Africa has to offer; the Japanese, for example, do not perceive South Africa as innovative in the information and communication technology (ICT) space, yet our ICT sector has one of our strongest rankings. So the IMC marketing drive is targeted also at addressing current misconceptions about the brand.

Matola emphasises that, “Very few countries are tabling budgets openly, and we rank well in this space, and also in our financial accounting standards, financial services, management of public finance and fiscal policy, management practices, infrastructure development, budget openness, protection of property rights, macro-economic environment accountability of private institutions as well as protection of investors.

“I would like to see South Africa, as a brand, start to grow beyond the legacy brand and to start presenting its value proposition to attract more foreign direct investment i.e. countries such as Russia from an energy point of view, Brazil, India and the Japanese.

“If South Africans play a part in building Brand South Africa, together we’ll be able to achieve our vision of being rated among the top 20 nation brands in the world, and attracting significant amount of foreign direct investment to the country to achieve economic growth,” he concludes. ▲

*Ntokoso Ndlovu*

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# The boere Buffett

## The fall and rise of Jannie Mouton

**A** day in early August 1995 started like any other, but it ended in disgrace for Jannie Mouton. He was sacked by the board of directors at Senekal, Mouton & Kitshoff Inc., a firm he had co-founded 13 years earlier.

Some of his critics would have predicted that Mouton would pursue the low road of civil lawsuits to claim damages for unfair dismissal.

Others might have expected him to wallow in self-pity for a prolonged period, to drift into a psychic paralysis and shrivel up – the precursor of vocational self-destruction.

It did not happen.

But write down early August 1995 because it has become a historic footnote as the foundational date of a business empire.

Fifteen years later, *Finweek* called Mouton one of the most influential businessmen in Stellenbosch, challenging the international icon Dr Johann Rupert for this prestigious mantle.

*Moneyweb* dubbed Mouton the “boere Buffett”, which is high praise, indeed. Warren Buffett, the primary shareholder, chairperson and chief executive of Berkshire Hathaway Inc., is consistently ranked among the world’s wealthiest people and widely regarded as one of the most successful investors in the world.

In an index on total return on equity, the PSG Group Ltd – over which Mouton presided for 14 of the past 15 years (he is still non-executive chairperson, but his son, Piet, succeeded him in July 2010 as CEO) – showed a total return on equity of an astonishing 57%.

The PSG Group outperformed Shoprite, Remgro Limited, Rand Aksep Bank, Bidvest, IMPERIAL and even Berkshire Hathaway

(Hathaway managed 23% in return over a period of 40 years).

Today, PSG has interests in companies with an overall market capitalisation of R61 billion, according to Mouton’s recently published business memoir, “*and Then They Fired Me*” (co-authored by Carié Maas).

What was the turning point after his fall from grace?

How was Mouton able to transform the public humiliation of August 1995 into his moment of redemption when he was elected as Western Cape Businessman of the Year in 2006 (and PSG

that a negative person has never started or established anything positive.

He decided to do a SWOT analysis on Jannie Mouton and wrote down his own strengths, weaknesses, opportunities and threats.

The wise advice of colleagues and friends, who reminded him of his temper and his obstinacy, was not easy to swallow, but he accepted it gracefully.

“At age 50, I was not ready for retirement yet. I had to persuade myself that I was doing something useful, that I was devising plans and ferreting out opportunities. I knew I had to fight

He acknowledged that “bitterness won the first round”, but he realised that a negative person has never started or established anything positive

was ranked number one in *Business Times*’ Top 100 Companies over 10 years list)?

His wife, Dana, (she passed away in 2004) touched a raw nerve when she said: “Jannie, 17 board members could not have been all wrong when the majority wanted to sack you. SMK is a smart company.”

In his memoir, Mouton acknowledges that “bitterness won the first round”, but he realised

against the threat of stagnation,” he recalls in his book.

Mouton read *Think And Grow Rich* by Napoleon Hill, the manuscript that changed his life and inspired him to start the investment company, PSG Group Ltd.

Buffett, his biggest mentor, provided another guideline for the birth of the PSG Group in the form of a book about business.



Prior to the formation of PSG (preceded by Mouton's gaining control of PAG Limited), he penned his charter for extraordinary achievement.

Dana had asked: "Jannie, why do you use the word 'extraordinary'? You can't even pronounce it properly."

He grinned, and persisted.

"To me, strategic planning is the alpha and the omega," Mouton says.

"In the book *The Art of War*, the principles of the Oriental military strategist Sun Tzu are outlined: 'Strategy is the great world of the organisation.'

"According to the book, that (strategic thinking) determines the survival or extinction in situations of life or death," he adds.

His plan of action to direct his dreams were, in brief: to be in control of a listed company, to focus on the financial services sector, to procure capital for a strong capital base, and to think more and do less.

Mouton does not dismiss the role of luck in the building of the business empire that is the PSG Group.

The PAG deal fell into his lap; it was sheer luck. "I don't think I've ever done a better deal than PAG, the small listed financial services company that fell into my lap like a dream," he says.

"If its R7 million did not become R107 million, a foundation for this powerful company would never have existed."

In February 1996, Mouton, Johan van der Westhuizen, Ian Muller, Chris Otto and Jaap du Toit started PSG. Du Toit derived the name Professional Securities Group (PSG) from the PAG name.

“We started small and slowly achieved success. Success gives one self-confidence, and that’s quite contagious in the market,” says Mouton.

Perfect timing contributed to PSG’s next round of success. In 1997/98, they sold all PSG’s business to Servgro, a listed cash shell, for R863m.

They were paid R327m in cash and an issue of 200.7 million Servgro shares. That gave PSG a stake of 61.9% in Servgro. It remains one of the best deals they have done, says Mouton.

Simultaneously, they issued 10 million shares at R9 per share to Siphumele Investments, a black economic empowerment grouping, for an 11.5% stake in PSG.

“The timing of both deals was incredible and increased PSG’s net asset value per share from 147 cents in 1997 to 617 cents in 1998. Over the same period, our market capitalisation increased from R249m to R1.172bn,” recalls Mouton.

Since listing PSG, Mouton has (in association with the board of directors) set up significant deals that have ultimately secured vast wealth for shareholders.

Leon de Wit, former executive chairperson of Channel Life, describes him as inherently a trader – and a shrewd one at that, as he hardly ever does a bad deal.

One of Mouton’s best deals has been the inspired agribusiness creation, Zeder Investments Limited. Many insiders expected it to fade into oblivion or do a slow burn.

Zeder’s investment philosophy is premised on unlocking value from companies with shares that trade at a sizeable discount to intrinsic value.

Zeder, as *Finweek* suggested, initially offered its own scrip as settlement, offering the tag line: “If we make money, you make money” to counter any notions of sheer opportunism.

Capitec Bank has been another noteworthy success story of the PSG Group.

PSG Specialised Lending was established in 1998/1999 as a precursor to Capitec. Capitec Bank obtained a banking licence in 2001/2002.

Mouton’s approach to poverty alleviation gained him many friends, and a world-class bank in Capitec was living testimony to his business philosophy on this matter.

He read the book by Nobel prize winner Muhammad Yunus, *Banker to the Poor*, and a report by Huysamer Stals about the provision of micro-loans to the poor.

Mouton says their arguments convinced him that the poverty in South Africa could only be

relieved by making capital available to people without collateral and who can therefore not be helped by traditional banks.

Capitec, with its micro-financing soul, was honoured 10 years later as one of 27 outstanding brand names of tomorrow by 3 000 analysts of the Swiss-based financial services group, Credit Suisse, in 50 countries.

No man is an island: Mouton acknowledges the contribution of business mentors such as Rupert, GT Ferreira, Markus Jooste and Christo Wiese, as well as the unique ability of Riaan Stassen to convert dreams into strategy and then into reality.

Wiese was a trusted friend during the very public spat Mouton had with some co-directors on the KWV board (he sold the PSG Group’s shares in KWV to Hosken Consolidated Investments Limited for R285m – a return on investment of R126m).

In Wiese he found an ally when he occasionally lost his cool at a KWV board meeting and stumbled to find the correct, coherent line of attack.

Wiese would rescue the situation. He would unpack and deliver his case with an excellent address that would win over a potentially hostile audience.

Rupert, says Mouton, is a business icon who rubs shoulders with international leaders.

Ferreira, in the same building in Kerk Street as Mouton, is a “smart, innovative man whom I admire for his extraordinary way in dealing with people.”

Mouton does not believe in flashiness and greed. He grimaces when he talks about “yuppies” who first ask what the company can do for them, instead of inquiring how they could be beneficial to the growth and expansion of a firm.

How do small businesspeople take their empires to the next level?

“One must always think and dream. I have read somewhere about a great entrepreneur who said (that) during the day he worked in the company, and at night he dreamt about the same company,” says Mouton.

His second wife and trusted companion, Deidré, gave him a book by Malcolm Gladwell called *Outliers: The Story of Success*.

Mouton reckons that if anyone dedicates 10 000 hours to something, he or she is bound to make a success of it.

He recalls a dinner hosted by William H. Gates, father of the same Microsoft founder Bill

Gates, for a few handpicked businesspeople. Gates Sr. asked those present to write down a single word that they deemed of the utmost importance in the business world.

Coincidentally, two of the guests chose the same word: Gates Jr. and Buffett. And the word was “focus”.

Pressed about the government’s vision to create additional jobs for five million South Africans by 2020, Mouton says the country’s labour is too expensive.

Supply and demand must determine wages: “One should not close down a Chinese shop or factory employing people (but which is accused of paying them lower wages). No, they deserve a medal for giving people jobs,” he notes.

“Our labour is not internationally competitive any longer. I have heard it is cheaper to manufacture furniture in Germany than in South Africa. The costs are higher over there, but the productivity is also so much higher. It is shocking.”

The many rules and regulations that paralyse business is another source of great concern, adds Mouton.

He says South Africa is pre-eminently a country that presents its people with golden opportunities.

Mouton is proudly South African, and does not subscribe to the theory that the grass is greener on the other side of the South African border.

By the way, he adds, the proactive person looks for alternatives during tough times and in troubled waters or low tide.

“You don’t want to be the one who goes, ‘Yes, but’ at a meeting when I’m in the vicinity. There’s a difference between ‘I can’t’ and ‘There has to be a way’,” he says.

Mouton learnt from his mother that the births of children and grandchildren, their disappointments and achievements, the joys and sadness of friends and family, the smile you give a poor person, and the establishment of successful companies are worth more than money.

Perhaps his greatest inheritance – and it is something he cherishes currently – is the presence of his sons Jan and Piet and family members Alex Volkwyn, Kevin Homann, and the hard-working sons and daughters of trusted friends in the PSG Group family structure.

“That is my biggest joy and pride,” Mouton concludes. ▲

Fanie Heyns



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“I organise my time fairly well so, for example, I never have meetings that go on for longer than an hour”

# A beautiful mind

## Jonathan Jansen: Commentator, teacher, leader

**I**f you are going to talk about the state of the South African education establishment, the man to talk to is Professor Jonathan D. Jansen. As a former Fulbright Scholar at Stanford University and dean of education at the University of Pretoria – with a master’s degree from Cornell University and an honorary doctorate in Education from the University of Edinburgh – Prof. Jansen’s academic credentials alone more than qualify him as an expert on the subject. More importantly, however, is his current position as rector and vice chancellor of the University of the Free State (UFS), where he had to oversee the fallout of the much-publicised Reitz Four saga.

Having also been a high-school biology teacher, Prof. Jansen’s experiences make him one of the few people with insight into the education system, from both the ivory tower and the coal face.

*Leadership* met with him shortly after the launch of his two new books, *We Need to Talk* and *Oor Bokdrolletjies en Rosyntjies* – both of which are collections of his newspaper columns.

**You are a very prolific columnist, a published author, rector, vice chancellor and lecturer at UFS as well as a social commentator. Where do you find the time?**

Even since my student days, I’ve always been doing 20 things at the same time. I suppose I’m an adult who qualifies for Ritalin!

But I love writing. If I’m a day without writing, I’m depressed. And I’m fascinated by South African society, so I’m constantly thinking and debating and writing about it.

If I didn’t have two columns to write every week, if I didn’t have opportunities to speak about what’s going on in the country, the rest of my work would be quite boring.

Writing is like eating to me. You never say: where do you find time to eat? You just do it. I’m in that space when it comes to writing – I just do it.

I organise my time fairly well so, for example, I never have meetings that go on for longer than an hour.

The second thing is that I delegate well, so I surround myself with people who are much smarter than me and who enjoy doing their work.

**And that gives you more time to write?**

Well, it also gives me more time for the students, it gives me more time to teach.

And the secret to the writing is: I write very fast, so I can write a column in about 10 minutes.

**Regarding your writing, you tend to have very definite but educated opinions on matters and you are not afraid to speak your mind. You correctly predicted that outcomes-based education (OBE) would fail. Putting aside the politics of implementing OBE, why were you so sure of its failure?**

Actually, it was two things: One is that I’d been a teacher for a while, and I’d actually worked in schools – black schools. So I knew about schools. And second, I was trained to study schools, how to analyse schools.

So when OBE came around, I used those two lenses, if you will, and I said this is ridiculous.

It makes no sense from the point of view of education curriculum and it doesn’t have a snowball’s chance in hell of passing in the world of practice.

I used to pray that I was wrong because I don’t have an ego about these things. I like the schools to work. I like our children to get well served.

But I really hoped at the time that there would be sensible people who would say: “You know we don’t like what this guy is saying, but maybe he’s right.” There weren’t people like that. Those

were the days of 1994 to 1996. We believed as South Africans that we could do anything.

**We were overconfident?**

We were arrogant. We thought we were the only ones who went through trauma, and we were the only ones who could be an example to everybody else, and we called ourselves the Rainbow Nation and blah, blah, blah – and it wasn’t true in the real world.

**Are you suggesting the education system at the time did not need an overhaul?**

No, it definitely did need an overhaul – there’s no question about it.

The way they went about it was to say that everything (about the old system) was wrong; they threw out the proverbial baby with the bath water. And the baby in this was that our schools were actually quite good at teaching the basics: we could teach how to read, teach how to write.

I remember teaching in Vredenburg and watching primary school teaching with teachers who didn’t have diplomas, but they were bloody good – even if it was just recitation of their multiplication tables and reading *Sannie and Jannie*. The teachers had a sense of what works in conveying the basics, and then came these guys who said: “You’re all idiots; wipe out whatever you think you know to be true and here’s your learning outcomes, here’s your this and that.”

**So what do we actually need to do in order to improve our education system?**

We need to take stock of ourselves and just make sure the kids can read and write appropriately – the other stuff will come.

And then, in a very simple way, to deal with transformation issues. If the kids aren’t learning the right history, put it in; but do it in a way that doesn’t disrupt the basics. I think that’s what we need to do.

Part of good curriculum planning and good teaching is to teach questioning; to develop the curiosity of the kids; to have basic science equipment, so kids can experiment for themselves – that’s the kind of thing we really should be focusing on.

Let the teachers do the basics – they do that well anyway – and then just make sure the way in which they expand the repertoires of teaching is to include critical thinking, reasoning and writing.

But don’t go and tell teachers that they’re idiots and that therefore everything must change.

**So that is where the problem with OBE really lies: when you cripple the confidence of the teachers, you cripple the confidence of the entire class?**

Absolutely. Teaching is a very vulnerable profession. So when you keep hearing that you’re no good and you need to re-learn everything, you think you’re a poor teacher.

**And there is the problem of transformation, which is something of which you have had very practical experience at UFS. Do you find that the white student body still has a problem with a non-white placed in charge of their intellectual future, or is that a problem you have overcome?**

That’s not a problem anymore. I think it was a problem in the beginning, both at Pretoria University and at Free State when I started here.

People didn’t know you necessarily and then the more people started to know you – especially my students – the more they realised: “You know, this guy actually doesn’t have a racial agenda. He connects with us in our residences and he calls our parents at home.”

If you follow me on *Facebook*, you’ll see both black and white students constantly in euphoria about what’s happening on campus and feeling free to raise their issues with the campus security or the academic standards in some of the classes.

You build trust so that when there’s a crisis, the students trust you to deal with the crisis.

**Basically, the key to your success has been to make yourself available to the students? Is this an approach you would advocate for all tertiary institutions?**

I think so, yes. I get asked a lot to speak on leadership at different universities and corporates, and people ask that question.

I think you have to have two things if you run a professional organisation, including a university: You have to have a very strong sense of compassion for your followers, but also a strong sense of discipline. And knowing when to use one or the other is really the secret to running an effective organisation.

The compassion is important because, in a university, there are a lot of students who come from difficult environments – economically and socially – and the last thing I want to do, is to give that kid a rough time. You have to express love as an emotion as a really crucial part of leadership.

Having done that, and having built trust, you have to say what’s acceptable and what’s not.

**I am sure you are aware of the University of Cape Town (UCT) selection criteria for its medical school, where the different race groups have different results benchmarks as their minimal requirements?**

That is simply wrong – that is called racism in my book.

**But UCT is trying to address an actual problem, and this seems to be the only solution it can think of.**

In other words, they’re not thinking.

I think we’re all concerned about the same thing, so I’m not questioning the equity motive. I, for one, want black kids to get access to a formal education at a university like UCT, but you don’t do it by reinforcing their sense of racial and ethnic identity.

There are many ways in which you can access a child’s potential. Using the marks is only one thing – don’t make it the whole thing, and don’t attach racial labels to it. Interview the kids; look at other ways in which they contribute to society; look at letters of reference; look at arguments that students make in favour of why they want the medical degree to begin with.

The best universities in the world do that. They don’t just look at a silly thing called marks. When you begin to do that, you get a much fuller picture of the student because the kids who went to school in Khayelitsha are not going to get the same marks as the kid who went to SACS.

Find more sophisticated ways of measuring potential. A kid with just six A’s mustn’t be in medical school.

**He must not be in medical school?**

No, definitely not.

**That is a fairly abrasive statement to make.**

No it’s not abrasive.

I studied at the best universities in the world; they don’t accept only the straight-A students into medical school.

It’s not abrasive, it’s common sense. You need an overall sense of the person.

Now, if a kid gets straight B’s from Livingstone (High), but that kid works on his/her own time as a volunteer at an Aids centre in Langa, I would take that student any day over a kid with straight A’s.

**But surely in terms of medicine, there is no denying that the intellectual capacity is an important aspect. If you cannot understand basic biology, it does not matter how compassionate you are – you cannot be a doctor.**

Let me tell you something: If you took my Matric marks, I wouldn’t get into a South African university, and yet I’m running one. In other words, if you had cut off my potential as a kid from a Cape Flats school called Steenberg High, I would be selling fish or the *(Cape) Argus* on the corner.

My point is: if I had the same opportunities, if I saw all the science equipment that I should have seen, then of course I would have done better (in Matric). Fortunately for me, I had people who looked at the other things I was doing – the fact that I was a student leader, the fact that I was able to write better than most people, etc.

I’m not saying that I didn’t have intellectual capacity; all I’m saying is that I needed more opportunity to grow and demonstrate that I could do things – and that’s the case for many of our students.

**So you would suggest that universities need to broaden their selection criteria?**

Absolutely, without having to reduce it to race and just marks.

**And by not doing that, they are actually limiting themselves?**

They’re cutting off kids who, with just a little bit of a push, with a little bit of academic support, a little bit of recognition, would actually do very, very well. ▲

*Zaid Kriel*

# SENER 360

- Your pivotal partner in irrigation

**Sener**360  
Africa's pivot of success



## COMPANY PROFILE

SENER 360 is a South African company. We have a simple policy of doing business with the highest standards of integrity. We therefore pride ourselves on not merely selling a product, but building long term relationships.

Designed and built in South Africa since 1994, SENER 360 centre pivots are known for their superior construction quality and strength that is above industry standards and we are renowned for our excellent sales and after sales service.

We have been in the irrigation industry for more than 20 years, specialising in surveying, systems design, installation and commissioning of irrigation systems. We have growing business interests in South Africa, Africa and internationally and we also offer a turnkey project development service from feasibility study phase to implementation and project management.

One of our recent achievements has been the allocation of a tender for the supply of more than 55 centre pivots to the South African Government for the Taung irrigation scheme including the upgrading of the pump stations.

At SENER 360 we are passionate about our centre pivots. Apart from building a functional and exceptionally strong and rigid structure, we pay great attention to the finer details, making a day-to-day difference in your life.

### STRUCTURE STABILITY

The SENER 360 centre pivot utilises trusses made from pipe being lighter than the traditional angle iron trusses, allowing us to incorporate two more sets of trusses, and so giving enormous strength and exceptional resistance to high wind. Longer 4,5 m base beams (5,8 m for the high profile machines), tower supports, stabilising rods and diagonals add to the exceptional stability.

### INNOVATIVE CONTROL PANEL RANGE

The simple modular design is also applied to our control panel range. The basic panel with direct millimetre adjustment can be expanded at minimal cost through various stages of automation and communication.

### "LAST SPRINKLER" SOLUTION

One of the problems in centre pivot irrigation is that the last sprinkler clogs regularly. We came up with a genius yet simple way to constantly keep the last sprinkler clean. SENER 360 centre pivots are fitted as standard with the pressure regulated Senninger I-Wob sprinklers on drop pipes to ensure outstanding water distribution in most climatic conditions.

### HEAVY-DUTY GEARBOX AND MOTOR

The drive train of the SENER 360 centre pivot comprises a heavy-duty wheel gearbox as standard with a free optional five year warranty\* driven by the UMC Power Saver centre drive motor and gearbox.

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Africa's pivot of success  
Since 1994

# Media darlings

## Top of the industry, in all its forms

According to *Dictionary.com*, the word “media” refers to the “means of communication – as radio and television, newspapers and magazines – that reach or influence people widely.” This definition is a bit limited nowadays, when we have so many different forms of communication. But the key line in the definition still stands: The ability to reach and influence people is core to what media is; all that really differs is who you are trying to reach and how you are trying to influence them. With so much variance in the media forms available and a substantially more diverse range of target audiences, the media is one of the few industries that allows for multiple top dogs – all leaders in the media, yet all doing very different things. *Leadership* spoke with three female frontrunners in the media industry, each dominating in her niche of the media pie.

### Paula Brown

**Managing director: Okuhle Media**  
*Okuhle specialises in youth television and currently has three productions on air.*

#### Did you always plan on working in television?

No, it all happened in 1999 when I was working at a small youth marketing agency and was given the opportunity to pitch for the children’s block on the new channel e.tv that launched toward the end of that year. We were successful in pitching *Craze*, a three-hour block for kids, to the heads of the channel.

That was the beginning of my love for the small screen.

#### Television production, particularly in South Africa, can be very eclectic work.

**You are the MD, but do you often find you do work that does not fit that title?**

I am an entrepreneur before I am an MD.

Okuhle was born out of a sheer passion and determination to live the dream of seeing something grow from an idea into a successful TV show that resonates with its audience.

As an entrepreneur, you do just about everything, from creative to sales, human resources to finance (which isn’t my greatest strength)

– even making the coffee or changing a light bulb.

Today, it’s a little different. Okuhle now has 50 employees and, sadly, I don’t get to do as much of the creative as I used to. I miss being more involved on productions, but I am privileged to have a team of truly talented and committed people around me who do a far better job at some of the things I have tried out in my life.

I think that’s one of the leadership lessons I’ve learnt over the years: trusting those you’ve appointed to do the job they’re supposed to do.

These days, my focus is more on the big picture and driving the business toward a very exciting future.

#### Okuhle employee demographics lean heavily toward women. Was this deliberate, or did it simply work out that way?

The ownership of the business was intentional. We are five women who had a common vision: to see the little business we started achieve great things.

While the past has seen us employ more women than men, this was not deliberate. Those women were genuinely the best people for the job at the time.

With our recent appointment as the agency on the Vodacom Club Rugby initiative in the

Western Cape, the male/female ratio has become more balanced, as the best people for this job were male applicants.

#### Has that been beneficial to the company securing work?

I can’t think of any specific success story related to our gender profile. The only measurable benefit that I believe we have had as a direct result of our female demographic has been that of securing a very favourable Black Economic Empowerment Scorecard.

At the end of the day, it’s about choosing the right person for the job.

In this industry, flexibility is key and, to be honest, women are generally better at multitasking than men. Flexibility has been an essential ingredient to the growth of the business.

#### Do you think there are enough women working in this industry, specifically behind the cameras?

Until the industry is entirely balanced, I’d have to say no. There is always room for improvement. But there are definitely increasing numbers of excellent female producers, directors, editors and creatives within the industry.

The more technical fields are still predominantly male. To be honest, I cannot remember when last I saw a camerawoman.

#### Does gender impact one’s ability in television production?

Not at all! The fact that it is such a multifaceted industry means there are numerous opportunities for both men and women in their fields of interest, from creative to technical and management. None of these is dependent on gender.

Our business is the perfect example of this, with our content, management and production teams, the live crew, art directing and editing all reflecting a strong female contingent. My belief is that whatever your gender: if you have

a passion for the industry, the tenacity to keep at it and a strong work ethic, you will make it!

#### Why focus on children's programming?

It was a natural progression. I joined forces with my business associates, three of whom also came from a youth marketing background, having worked on M-Net's *Ktv*.

I was very involved with Woolworths Children's Wear at the time when the SABC put out the brief for a children's magazine show. It made sense to pitch, and we were awarded our first commission – *Bling!* on SABC2, which led to various other children's programmes including the South African Film and Television Award-winning youth travel show, *Which Way*.

In 2006, we visited MIPTV and MIPCOM in Cannes where we, for the first time, decided to explore the international TV market. This led to our inspiration for the successful pitch of our first daily, live youth programme, *Hectic Nine-9* on SABC2, which is now in its sixth season.

This programme has been a phenomenal success for us and the channel, with particular emphasis on the interactive and digital nature of our content.


#### Any plans to expand into broader subject matter?

While youth television is definitely a focus of ours, it is not the only content we produce. Our Corporate Production Division sees a constant tide of audiovisual work, while another focus is documentaries. It started with two seasons of *Born Frees* that we produced for e.tv in 2004 and again in 2009.

Our most recent production is *Glitterboys and Ganglands*, a funny and moving story of three hopefuls in the Miss Gay Western Cape competition – South Africa's biggest female impersonator pageant. We follow three contestants through the preliminary rounds, into the back stories of their lives, all the way to the outrageous spectacle of the night.

Another two documentaries are currently in various stages of production and discussions with distributors, so I am unable to divulge their stories.

After our trips to MIP, we have included formats (both buying and selling) into our slate of productions, and we have a number of exciting ventures in the pipeline – which is what makes me so optimistic about the future, both of the industry and for our company.



“I think one of the leadership lessons I've learnt over the years is trusting those you've appointed to do the job they're supposed to do”



“As the world changes, we must adapt to these changes – that’s life”

## Lerato Mbele

**Anchorwoman: CNBC Africa’s Beyond Markets**

*CNBC Africa is the continent’s first and only 24-hour international business channel, delivering real-time information and analysis about global business and Africa’s financial markets.*

**At 32, your academic background is quite exemplary. How important is education? And where did you find the time?**

I turned 33 in June; and from here on, I’ll never admit my age ever again (laughs).

I know that education is the revolutionary mantra. It’s something that all our parents wanted for us because it was almost impossible for them to get a good education.

I also know that some of the greatest leaders don’t have a great education (Jacob Zuma, Bill

Gates, Richard Branson) and so education is not the be-all or end-all.

However, in my case, education has opened my mind about Africa and the world. This has made me more critical and less prone to believing stereotypes. It’s allowed me to question my own existence and the things that I believe to be absolute truths.

I was fortunate to have parents who could afford to send me to school, so there was no pressure on my time. Education has made me a better journalist.

**It is said that between yourself and Leanne Mannas, you have changed the face of financial journalism. This is usually a reference to your good looks. Does that bother you?**

I’m flattered, but I reckon Leanne has played her part in making business news sexier; she’s very pretty.

I don’t get bothered by references to my looks. If anything, it affirms that I’m truly a 21st century woman: beautiful and brainy – that’s the calibre of the girls out there today!

**You have described yourself as a straight-talker. Could that attitude not impede your objectivity or impartiality?**

No, talking straight means being truthful and bold. Objectivity is seeing issues from different perspectives.

I try to regard everyone’s point of view and I respect it. However, in doing so, I don’t mince my words.

**You did not originally plan a journalistic career – are you happy you made the transition?**

Journalism was an accident but, in hindsight, a very rewarding detour. I may not stay in the field forever – life offers so many

opportunities. But for now, I have a voice and a platform. I want to use the opportunity constructively.

**When you interviewed President Zuma prior to the last national elections, you asked him about his rape trial, inferring a lack of character on his part. Did you fear any reprisals from that question, given his litigation against the *Mail & Guardian*, Zapiro and *The Guardian* newspaper of London?**

I suggested to Mr Zuma that he withdraw his candidature for president based on a series of allegations and legal cases he'd been involved in. I said people might not be able to see past these scandals.

He understood the overriding political context in which the interview was happening. He appreciated that it was my responsibility as a journalist to question him on his character as a future leader, and he took no offence, even though he was uncomfortable.

He showed real magnanimity toward me (even hugged me afterward).

**You come across as very much a new kind of black South African woman – highly educated, very successful, self-empowered, in an interracial relationship, etc. Is that intentional, or are you simply being yourself?**

I don't do well with labels. I am who I am: young, black and confident. But also young, black and confused about love, money, goals, faith. It's a normal human existence.

**“Coconut” is a disparaging remark that has been used against you. Is that hurtful?**

The truth about blackness is not in the clothes and hairstyle you wear. It is in the conviction that being black and African does not make me inferior.

I have lived my life in a way that debunks myths about the inferiority of blacks: that blacks are uneducated, unrefined, inarticulate, emotional...

My parents encouraged me to subscribe to a higher standard. They also said I must live by a higher ethical code, rooted in respect for my family, our values and culture. I'm secure in that.

If people want to label me because I don't look or sound the way they expect me to, I guess it's their problem, not mine.

**The role of black women in South Africa today is quite different to what tradition expects. Do you feel this is a necessary change?**

Yes, culture is not static. As the world changes, we must adapt to these changes – that's life.

However, we must identify the most affirming and uplifting parts of our heritage and carry these forward.

Look at China, embracing capitalism and modernity, without being less Chinese. That's how civilisations survive the test of time.

**What is your opinion on gender equality, particularly as it relates to black women? Is it happening?**

There's no doubt that gender equity regulation has opened the doors for young black women. Without affirmative action, I would not be where I am.

However, the laws must be supported by individual responsibility. Each woman must make it her business to improve on her skills and knowledge base, and take bold risks so that we are not mere tokens, but pioneers of a changing society.

**Is a commemorative day such as Women's Day still necessary?**

Hmmm... that's a tough call because it felt more like a long spa day than a commemorative day...

But in a country where women are still victims of rape and domestic violence, something needs to be done to remind society of our value as women.

Our mothers didn't only contribute to the anti-apartheid Struggle; many of them raised us single-handedly. In that, they've contributed to humanity at large. Someone had better recognise that!

**Will you ever tire of the media world?**

I'm a Gemini; I was born to speak.

But at some point, I must use the talent at a higher level. Maybe in business, maybe in diplomacy. Or simply by being a mother who raises her children as confident and conscientious people.

## Diane Charton

**Managing director: Acceleration Media**  
*Acceleration Media helps its clients manage their digital image, providing services such as search engine marketing, social media management and online reputation management.*

**How did you get your start in the media industry?**

I actually studied Civil Engineering at Wits, and my first job was in this field.

I became involved with marketing and media at the first company I worked at, Concor Technicrete, and found that I enjoyed the strategic thought and social interaction in this industry.

I went on to join United Stations, and from there grew into a career in the media and advertising industry.

**Do you find that media is an easier industry for women to enter and dominate?**

Whether you're a man or a woman, the challenges are the same: staying on top of a fast-changing media and technology landscape. Excelling in this industry comes down to your personal qualities and your appetite for change rather than whether you're a man or a woman.


When I first started working in the agency space – especially the online world – it was very male-dominated. That picture is changing very fast and there are now many strong women taking leadership roles in the industry.

I really don't feel that there are any significant advantages or drawbacks to being a woman in this market.

**How did you come to take the lead at Acceleration Media?**

My husband and I were looking to move to Cape Town in 2006, so I was exploring opportunities available in the city.

After a number of years working for a traditional agency called The Old Shanghai Firecracker Factory, I was keen to move into the digital arena. I was approached by Acceleration Media and was excited by the opportunity. I haven't looked back.



“Excelling in this industry comes down to your personal qualities and your appetite for change rather than whether you’re a man or a woman”

**Acceleration Media differs from typical media firms in a very specific way. Could you elaborate?**

We have grown beyond a digital media-planning and ad space-buying agency into a full-service digital marketing consulting firm. We help our clients to find and implement digital marketing plans that fit their business needs, from online reputation management (ORM) and mobile marketing through to search marketing and online advertising. We believe that all these tools should form part of a holistic strategy that helps

companies to reach and engage customers, with the aim of improving sales and building better customer relationships.

**How important is ORM today? Is it not simply the modern evolution of public relations?**

ORM differs from public relations in a number of ways. Firstly, it’s not just about managing relationships with and perceptions among media and a small group of stakeholders such as the government. Instead, it’s about improving

perceptions of your brand among the whole community of Internet users, which adds up to millions of potential consumers.

Secondly, ORM is not about transmitting a message to a mass audience, but is also about listening to consumers. Perceptions of your brand are now forged among millions of people as they share their opinions online. You need to listen to them, speak to them where appropriate, and measure how effective your interactions are in achieving your goals.

You have little control over what people say about your brand on *Facebook* and *Twitter*. Think of it as word of mouth, except that it reaches millions of people – and you have the opportunity to listen in and respond.

**Who needs this kind of service?**

Nearly every company should be aware of what people are saying about its brand online. Even if you think your consumers are not that active online, journalists, regulators, suppliers and other stakeholders are.

ORM also affects individuals in a reputation economy, particularly those with a high profile, such as politicians, chief executives and celebrities. There are few market segments that do not need ORM at all, even if not every company or person needs a high-end ORM tool.

**Will the impact of social media ever reach a plateau?**

Perhaps one day in the far future; but for now, the pace of change is such that the market changes by the month. New services are constantly coming into the mix, and the impact they will have isn’t always predictable.

One recent example is *Google+*. We can only guess at the impression it will make on the market. Will the market consolidate around dominant platforms such as *Facebook*, or splinter into niche networks? We simply don’t know yet.

New devices such as smartphones and tablets are also changing the way that people use social networking in unpredictable ways. Of course, social networks are all about human behaviour, which is the most unpredictable factor of all.

Though some platforms in social media may mature, I suspect the market itself will still be changing, growing and evolving a decade from now. ▲

*Zaid Kriel*

The background of the advertisement is an aerial photograph of a wind farm. Several white wind turbines are scattered across a lush green hillside that slopes down towards a blue ocean. The sky is clear and blue with a few wispy clouds. In the top left corner, there is a white rectangular box containing the Siemens logo.

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# Leading the new Bok charge

## Jurie Roux is the new man in rugby's hot seat

**Jurie Roux, the chief executive officer of the South African Rugby Union (SARU), strikes one as a man of clarity. He answers questions directly with a forthrightness that, while not being brusque, is certainly resolutely confident.**

A perfect example of such a characteristic was displayed recently when he was grilled by the New Zealand media, regarding the Rustenberg training camp of the frontline Springboks while an apparent 'B' team did duty in Australasia.

"I'm not denying they're [the Springbok frontline players] in Rustenburg," Roux told a rabid pack of Kiwi journalists. "I'm denying the fact there is a secret training camp. I've got my players being rehabilitated, that's it.

"I run a multimillion-rand corporation where my biggest assets are my players. They're injured, so I need to do something to get them ready for the Rugby World Cup.

"What do you do with an injured player? You don't send him to Bali on holiday – you put him into your high-performance centre with the best doctor you can find, and you put him in a programme to rehab and get to the World Cup," he stated.

"I don't understand the conspiracy; I don't understand the confusion."

What the New Zealand press was evidently unprepared for was an answer to their taunts from a South African administrator that was open, direct and unapologetic. It is a formula for leadership that has not always been followed in Springbok rugby.

It may just be that such an attitude of leadership is exactly what Springbok rugby requires, particularly in a period that is shaping to be something of a watershed for the future of the game in South Africa.

A host of monumental decisions have either just been taken, lie waiting on the table, or are looming on the horizon.

University and its Maties Rugby Club. He is an alumnus of the university, as well as being a former coach and manager. Added to this, he has held corporate positions both in the university and outside, as well as serving as a vice president in the Western Province Rugby Union and as chairperson of the Francois Pienaar brainchild – the wildly successful Varsity Cup.

**"I'm denying the fact there is a secret training camp. I've got my players being rehabilitated, that's it"**

Among those decisions that have already been made are the reformatting of the Currie Cup and the relaunch and restructuring of SARU.

Decisions still to come include the appointment of a new coach and captain after the John Smit/Peter de Villiers era ends; the renegotiation of a SANZAR (South Africa, New Zealand and Australia Rugby – the governing body of the Super Rugby and Tri-Nations tournaments) deal, and the inclusion of an Eastern Cape Super Rugby team in 2013.

The theme that is so far emerging within this challenging era reflects the attitude of nous and clarity embodied by Roux. This is encouraging for all the stakeholders of the game.

Roux has come to his position via the spiritual home of Springbok rugby – Stellenbosch

University and its Maties Rugby Club. He is an alumnus of the university, as well as being a former coach and manager. Added to this, he has held corporate positions both in the university and outside, as well as serving as a vice president in the Western Province Rugby Union and as chairperson of the Francois Pienaar brainchild – the wildly successful Varsity Cup.

Roux told *Leadership* that it has always been the competition and camaraderie within rugby that has drawn him to a life in sport. "I am competitive by nature and there is no purer form of competition yet devised than the sporting contest – whether it's on the golf course, the soccer field or the rugby field," he states.

"Rugby's great appeal is the varied shapes and sizes and level of ability it allows to play in the same team, and the physical challenge adds an extra dimension.

"But best of all is the camaraderie – ask any player what he loves best about the game and it will be the friends he has made through playing it," Roux adds.

He recently unveiled a completely new structure for South African Rugby – one that

A close-up portrait of Jurie Roux, a man with short brown hair, wearing a dark suit, white shirt, and red tie. He is smiling slightly. The background is green with a repeating pattern of a yellow and white cartoon animal. In the top right corner, there is an orange bar with the name 'JURIE ROUX' and a black bar with the word 'Leadership'.

JURIE ROUX

Leadership

“I run a multimillion-  
rand corporation  
where my biggest  
assets are my players”

sees the dissolution of the professional wing of the organisation – SA Rugby (Pty) Ltd – back into the amateur wing, an amalgamation that will now be governed by one executive council.

SARU has been streamlined into seven new departments that will be responsible for portfolios such as high-performance teams, development, marketing and corporate affairs.

Roux notes that while South Africa has been successful on the playing fields over the past decade, the same could not always have been said about our rugby's administration.

“SARU has been able to deliver a robust financial performance, healthy competitions and, most importantly, winning Springbok and Springbok Sevens teams, but there have been challenges – most of them behind the scenes,” he says.

“We have won the Rugby World Cup and the IRB World Sevens Series over the past 10 years; we have had two world players of the year, seen the Bulls win the Vodacom Super Rugby competition on three occasions; and enjoyed a generation of players who will go down as legends of the game.

“Off the field, the ride has sometimes been bumpy for our administration but, at the end of those 10 years, we're in a better shape than just about any time in that decade,” Roux claims.

“Parallel operating structures, each with their own governance structures and operational heads, had created a schizophrenic organisation – an operating structure where people worked in rugby, side by side in the same building, but didn't talk to each other, in an operational sense.

“That arrangement had become untenable, and then a change in the approach of the South African Revenue Service to sporting federations proved the final impetus to effect an overdue revision of the operating structure. Those obstacles have now been eradicated and we now have a much leaner, cleaner and simpler structure,” he says.

Yet, Roux notes that such a restructuring is not a silver bullet.

“We have a relatively new governance structure and a very new operational structure, and there are bound to be teething troubles in bedding those down while the global financial position is a challenge to every business,” he says.

The residual challenge of Springbok rugby since 1992, however, has been the need to develop professionalism within areas that have historically been neglected owing to the apartheid era. Such a need has become the

driving force behind the campaign to include the Port Elizabeth-based Southern Kings within Super Rugby and the Currie Cup.

Roux views this as both a necessity and as something that requires a balanced approach within a field of countrywide priorities.

“We need to attend to our competition structures to reintroduce top-flight rugby to the Eastern Cape without it being at the expense of rugby in other areas,” he says.

“We need to attend to player welfare – in terms of the volume and intensity of rugby they are expected to play – and we have the major challenges of growing the game at grassroots level and continuing the process of transformation.”

Another critical issue facing Roux is the question of SANZAR. It has come under criticism from a vast array of sources including the media, coaches and former players, following the expansion of Super Rugby to country-based conferences, a 15-team tournament, and the expansion of the Tri-Nations to a six-match series for each of the three teams.

This expansion is only set to accelerate, with Argentina joining the fray next year.

In a World Cup year, many have complained that southern hemisphere rugby is reaching a saturation point, and that South Africa, separated by a vast ocean from its partners, is bearing the brunt – hence Roux's repeated concern for his players.

He notes these difficulties, but again asserts a diplomacy and a balance that will be brought to bear when the big decisions are finally made.

“SANZAR has been a massively successful joint venture, unlocking great value for the three unions in the organisation and creating, arguably, the toughest domestic and international rugby competitions in the world – you don't walk away from that legacy too easily,” says Roux.

“Having said that, the natural regional and geographical coincidence of Australia's and New Zealand's interests and outlooks – as opposed to South Africa's – does create tension.

“We have a contract within SANZAR for broadcasting rights, which has another four years to run, so we're not going anywhere right now; and with Argentina joining the Tri-Nations next year, SANZAR is continuing to evolve,” he adds.

Upon the issue of player welfare, Roux's ultimate concern has been to ensure the best Springbok squad, granted the best preparation,

will travel to New Zealand this September to defend their world title.

“I think we have a very good chance, although we won't be going there as favourites. The ‘end game’ for us this year has been about getting the best players and best management in place and getting those players onto the plane on 1 September in the best possible condition. That plan remains on track – despite the early results in the Castle Tri-Nations,” he says.

“If the Springboks perform to their full potential, it will take an outstanding performance by an outstanding team to stop them in the search for back-to-back titles.”

What is obvious from Roux's manner and vision is that South African rugby has found a pair of steady hands to steer the helm as a variety of pressures emanating from the global recession, South African history, and southern hemisphere geography is brought to bear upon the business and passion that is our rugby.

He denotes that this manner forms the bulwark of his leadership philosophy: “I believe in leading by example. I need to walk the walk to be able to talk the talk. In the broader sense, I believe an inclusive process with colleagues is important, but I normally have a firm view on which direction we need to take.

“You need to be respected for what you deliver as a leader, always bearing in mind that respect must go both ways.”

As for pastimes, Roux carries his competitive streak onto the golf course and into the world of fishing and hunting. He describes himself as “an avid consumer of sports biographies” because they contain “so many lessons for life but, in my new role, also for this extraordinary business of sport.”

That is perhaps his most reassuring quality for all sports lovers – his sheer love for the game and his sense of respect for its legacy in society.

With the constant flux in our society, countless South Africans find a sense of unpretentious joy in sharing a simple game with their friends and compatriots on the weekend. It may simply be sport, nevertheless it has become an ‘extraordinary business’ because, somehow, in some mysterious way, a complicated oval-ball game is able to create not only a grand sense of fun, but equally a kind of social unity.

It is these things with which Jurie Roux has been entrusted. And, by all accounts, he seems completely equal to the task. ▲

*Chris Walburger*



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“My experience in the navy was the most significant in my life so far”

# Bidding or buying

## From scrubbing decks to online empire

**A**s *bidorbuy* founder and managing director Andy Higgins comes strolling down the corridor of his Bryanston offices, he could so easily be mistaken for an intern. That impression of the head honcho of the largest South African online marketplace has everything to do with his incredibly youthful appearance, his casual attire and his nonchalant stride. It became apparent, upon chatting to him, that it also has a great deal to do with his utter lack of materialism and a seeming inability to get stressed (or show it, anyway).

Being ambitious, an excellent businessman and having a hugely successful career is something into which Higgins has grown. He had no dreams of grandeur, but was always intent on making the best of a situation and proving himself.

In the last few years, he and *bidorbuy* bought *Jobs.co.za*, a top local jobs portal; *Shopping.co.za*, an online shopping mall; and *Classifieds.co.za*, an online classified advert listing service – and he is starting an online payment business as well.

Higgins' path has been unusual – certainly not your average Wits Business School (WBS) MBA graduate's tale.

According to him, he was Joe Average at Durban High School, with an offbeat bent. He was not interested in rugby and cricket, but rather had a yen for water sports.

Higgins considered medicine as a career but, by Grade 11, he realised that it was not for

him. In fact, not being much of a follower, he found school – particularly boarding school – regimented and stifling.

Despite that, he joined the navy after matriculating and loved it, excelling as a diver. “I felt the navy had more purpose and, while they certainly broke you down, they built you up again,” Higgins says. “I felt I could conquer

As he completed his degree, he was on a plane out of the country to fulfil his deep urge to travel. He made his way to Fort Lauderdale in the United States, determined to find work on one of the many superyachts there.

Higgins was fired from his first job as chief engineer on the *Chantelle ma Vie* – which was not surprising, since he got the job without

“This period taught me that all these ultra-wealthy people are not special and, if they can make so much money, anyone can”

the world, and there wasn't anything I couldn't do. My experience in the navy was the most significant in my life so far.”

He went on to study Electrical Engineering at (what is now known as) the University of KwaZulu-Natal – for no other reason but that he believed he needed a university education and had an aptitude for maths and science.

Higgins filled his ‘free’ time during his studies with feeding fish in the aquarium, volunteering for the National Sea Rescue Institute and flying with the Air Force. “I would leave class whenever I wanted, when something more interesting came up,” he adds.

any knowledge of how engines work, what it entailed; and, most of all, because he almost sank this incredibly expensive vessel.

Having to resort to scrubbing decks for money, he reached his lowest ebb. Jobless and virtually penniless, he cut open his leg climbing over barbed wire when looking for work. He was turned away from the nearby clinic because he could not pay for medical attention. “I had to buy stick-on stitches, and just manage,” he says.

Higgins did eventually work his way up to being a chief engineer on a superyacht and, after seven months, he felt it was time to move on to a new challenge. “This period taught

me that all these ultra-wealthy people are not special and, if they can make so much money, anyone can,” he notes.

He then did a computer course at the Harvard Summer School – something that stood him in good stead, not least because people saw the name of the university on his CV and were impressed. “Little did they know, anyone can go and do the Summer School courses,” he adds.

Finding it difficult to find work in the US without a work permit, Higgins flew to England, where his brother lived and where he could work.

He got a job in the middle of 1998 – at the beginning of the so-called “dot-com boom” – as a programmer with an unknown online auction company, called *QXL.com*. He was one of its first employees and, when he left the company a year later, it had a staff of 100.

At its peak, when the company was about two years old, Higgins says, *QXL.com* was valued at more than British Airways. “It was an accelerated learning curve for me. I worked flat-out – my work was my life. I helped launch the company in France, Germany and Italy.”

In all this, he found his niche and clearly excelled. “I was so excited by the interconnectivity of the Internet and how one can work from anywhere,” he says.

But, by 1999, Higgins was missing home, and he planned to set up a similar venture in South Africa.

When a colleague heard of his plans, she suggested he speak to her father, Professor Yair Tauman, who was one of the initial investors in *QXL.com*.

Tauman and his Israeli partners talked the then 24-year-old Higgins into thinking on a far greater scale than he had ever imagined. They wanted to go worldwide, and they invested US\$250 000 into launching his company, *bidorbuy* – first in South Africa, then in Australia (where Higgins set up a base) and in India.

The investors quickly raised another US\$12 million to put into the company, and they planned to open in 12 countries.

“We were the typical dot-com company, believing in the build-it-and-they-will-come concept. The investors wanted us to just get it out there and not to worry about making money. So, at that stage, we did not charge for our services at all,” he recalls.

Looking back, Higgins sees that period of his life as a blur or a dream. “I remember sitting in

a taxi in India with the chairperson of a board of companies who was negotiating with me to buy our Indian company for US\$500m. It was seven months old and hadn’t actually made any money.”

He admits: “I was going along for the ride. I let the Wheel of Fortune spin and waited to see where I landed.”

But then the wheels came off the dot-com industry and companies started losing fortunes all around. Not surprising, so did *bidorbuy*.

“We were on the verge of bankruptcy, and I got the call from Prof. Tauman to say we

“Winning is important to me, but not as important as my integrity”

needed to shut down,” says Higgins. “I was relieved. Although I don’t stress easily, there had been a lot of pressure on me.”

After that, all that remained of *bidorbuy* was the South African website and the Indian company (which had merged with its major competitor there).

Higgins returned home in August 2001 and ran the show with – at the company’s worst – only one other person.

In truth, e-commerce did not really take off in South Africa until 2005 so, until then, *bidorbuy* was just treading water.

Higgins decided to do a part-time MBA at WBS, which he thought “would be a nice distraction, as the business was just ticking over.”

Further, he figured it was time he learnt how business was really done.

“I enjoyed the classes, loved the interaction, but hated the research,” he recalls. “I had some brilliant lecturers like Max McKenzie, Geoff Bick and Kevin Lings (now the chief economist at STANLIB).

“I came out with a lot more confidence in the business world, having learnt a lot about finance and all the things I hadn’t been exposed

to before. While it wasn’t a life-changing experience, it was a very meaningful one.

“My classmates thought I was seriously dodgy, based on my interactions in class. I was very vocal in class discussion and asked the difficult questions, and they joked that I was borderline on ethical issues – I love that,” Higgins says, chuckling at the memories.

In 2004, he contemplated packing in *bidorbuy* – until the merged Indian company was bought by eBay for US\$53m, and he could channel some of that money into the local business.

In 2005, as people started adopting ADSL and became more involved in the Internet, *bidorbuy* business started picking up.

The business really took off in 2007 and, by *bidorbuy*’s 10th anniversary in 2009, it had 40 shareholders, a 20-strong staff and money in the bank. Now, with 28 employees, it is a household name in South Africa.

It still has significant challenges such as dealing with fraud and the perception of safety. “We have stepped up our safety measures, and are mostly catching people before they are able to commit fraud,” says Higgins.

Looking back, he says: “My 20s were all about work, and slipped me by; but now, at 34, I am making up for it.”

Higgins has had many girlfriends, but still jokes at having been dumped by one who thought his “Citroen C4 was not the right image.” He smiles, and explains: “I am happy to spend money on experiences, but I don’t need to waste it on accommodation or things.”

He still loves travelling and plans to take a three-month break to travel the world.

“I have had some amazing trips recently,” Higgins says. “I chartered a yacht for two weeks and went skiing for another two.”

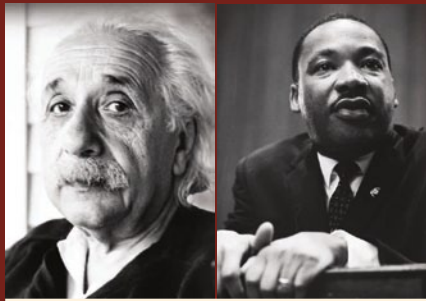
He is passionate about kitesurfing which, he says, “isn’t easy to do when you live in Johannesburg.”

Higgins may not be materialistic, but admits to being very competitive, particularly on the squash court. “Winning is important to me, but not as important as my integrity,” he says, adding that “a person’s word is gold.”

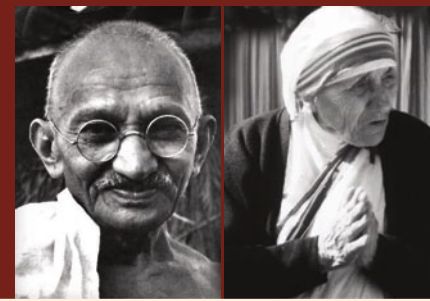
And Higgins may insist on doing business honestly and with integrity but if, at the same time, he makes a great deal of money, he is certainly not complaining. ▲

Peta Krost Maunder

First published in “Wits Business School Journal”



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A close-up portrait of Daniel Malan, a middle-aged man with short, light brown hair, smiling warmly at the camera. He is wearing a dark navy blue suit jacket over a light blue and white vertically striped dress shirt and a vibrant green tie with a repeating pattern of small red and white floral or bird-like motifs. The background is a neutral, textured grey wall.

“We focus on issues that are specifically important for the African continent, but also for corporate governance in general”

# Checks and balances

## Making real changes in corporate governance

**I**n a world where corporate governance has, in recent years, frequently come under the spotlight for all the wrong reasons – people such as Daniel Malan and the work they do, stand out. They strive to instil an ethos of effective and ethical corporate governance as being the key to building stable and healthy institutions in a nation.

Malan's work recently received major recognition when he was invited to join the Global Agenda Council on Values in Decision-making of the World Economic Forum (WEF) because of his "thought leadership" in this field, as phrased by Klaus Schwab, founder and executive chairperson of the WEF.

Malan's day job is as the director of the Centre for Corporate Governance in Africa at the University of Stellenbosch Business School (USB). As residential head of Wilgenhof, the oldest university men's residence in Africa, he fills a pair of big boots that belonged to the late rugby supremo, Dr Danie Craven.

"I am honoured by the nomination, but to this day I don't know exactly who nominated me. So I don't know exactly what they had seen of my work or the things I have published over the years. So I don't know what they looked at," Malan says.

But, he adds, he does serve on a number of bodies or committees where he has had international exposure over the last few years. One of them is the Anti-Corruption Working Group of the United Nations Principles for Responsible Management Education (PRME).

"I am doing work there with academics from around the world, on developing an anti-corruption curriculum specifically for MBA

students, which will be used by universities around the world," says Malan.

"I am also a member of the International Corporate Governance Network (ICGN) Integrated Business Reporting Sub-Committee, so I have played a role there.

"Previously, I was an associate director with KPMG and was partly responsible for the development of the KPMG Global Code of Conduct.

"I have had some consulting experience also in the area of values and ethics, or organisational integrity, where I have had some international exposure," he adds.

"Locally, I have been lecturing for many years now on corporate governance on MBA programmes and I have published some opinion pieces in the local media.

"So I think those would probably be the things that they took into account when they decided to invite somebody from South Africa," notes Malan.

The Centre for Corporate Governance in Africa was established about four years ago to address the need for a focus on governance in the African context and specifically to emphasise the performance aspect of corporate governance as opposed to the compliance aspect.

Its chairperson is Professor Bob Garratt, who is an international corporate governance expert, author and visiting professor at the business school. In addition, he is a company chairperson and consultant. As an academic, he is working on corporate governance, board and director performance, and strategic thinking issues.

"Prof. Garratt's thinking has really informed the projects and the strategy of the Centre," says Malan. "People like Mervyn King; and also Sir Mark Moody-Stuart, the previous chairperson

of Anglo American Corporation; and Stephen Davis of the Millstein Center for Corporate Governance and Performance at Yale University, are on our advisory panel.

"We focus on issues that are specifically important for the African continent, but also for corporate governance in general, and those are responsible investment, board performance and leadership, integrated reporting and values – the latter being the one that relates most closely to the appointment I have received at the WEF."

He says there are a number of other South Africans involved with the WEF as a whole in some or other role, among them the Minister in the Presidency responsible for National Planning, Trevor Manuel, and Minister of Tourism Marthinus van Schalkwyk, who also accepted nominations to serve on global agenda councils, like Malan, for the 2011/2012 term.

Another South African who has been intimately involved with the work of the WEF is Dr François Bonnici, a former head of Africa and Middle East at the Schwab Foundation for Social Entrepreneurship, and Global Leadership Fellow of the WEF, who was featured in the July edition of *Leadership*.

Malan has been asked whether the Council is not merely another talk shop, "with people sitting around a table and coming up with bright ideas", or whether it actually makes a practical contribution to real-world corporate governance.

"I think, for me, the most attractive part of the council is the idea that you really get exposed to other like-minded people, and certain people with a lot of insight and experience in values and decision-making around the world," he notes.

"But the fact that we will be in a position to make policy recommendations and provide input

directly into and participate in some of the discussions of the forum itself does give it something of an edge over other programmes or committees that will simply issue reports or statements.

“I think there is a real opportunity here to get access to – I would argue – one of the most important global platforms at the moment and a credible one. Obviously, we also know about all the opponents of the forum, but at least here you have what I would regard as a legitimate and credible platform where members of academia, the private sector, the public sector and civil society convene and make decisions that will have an impact on what happens in the world economy,” Malan adds.

The Council’s work is conducted by means of four meetings per year, the first being a gathering of its members during the Summit on the Global Agenda 2011 to be held in Abu Dhabi in October. The other three are conducted via video- or teleconferencing.

Malan says that after the Abu Dhabi meeting, he will have a clearer idea of what is expected of the Council’s members, but he presumes it will be involvement in some research and to provide input and insight and, at times, policy recommendations to international organisations. It will play a role as preparation for the next WEF meeting in Davos, Switzerland and the other regional meetings of the Forum.

The WEF created the Network of Global Agenda Councils in 2008, comprising councils on the foremost topics in the global arena, of which the Global Agenda Council on Values in Decision-making is one. According to the WEF, “each of these councils convenes relevant thought leaders from academia, government, business and other fields to capture the best knowledge on each key issue and integrate it into global collaboration and decision-making processes”.

The councils represent transformational innovation in global governance and monitor key trends, identify global risks, map interrelationships and address knowledge gaps. Equally important, the councils put forward ideas and recommendations to address global challenges.

Malan says there is a network of some 79 different councils, each having 15 to 20 invited members serving on them for a year. “This number puts my appointment in better perspective, but I am still honoured nonetheless for being invited to join it,” he says.

The councils interact with one another. They are grouped together into clusters, focusing

on drivers and trends, risk and opportunities, policy and institutional responses, as well as a cluster focusing on industries and regions.

Asked what he considers, as a South African, to be the key corporate governance issues that should be dealt with, Malan singles out the anti-corruption drive. But, he adds, this is from a global point of view as much a South African one.

“The other issue that is particularly pertinent in South Africa is the widening gap between rich and poor,” he notes. “The debates that we have around, on the one hand, industrial action and at the same time the focus on executive remuneration, are the two extremes of this widening gap. These discussions are ethical or value-based discussions, and I would like to see them picked up in some of the international or global discussions.

“From a more traditional corporate governance perspective, the challenge for us as South Africans is to demonstrate that we don’t only have the internationally based best practice corporate governance standards in the form of King III, but that we also have more companies that really buy into the spirit of King III and the ideas of ethical leadership, corporate citizenship and sustainability.

“Because sometimes, sadly, I think we get more credit than we deserve in the sense that we have fantastic standards, but that many companies are still paying lip service to those standards instead of really buying into the ethos and the embedded ethical and social values in a report such as the King Report,” adds Malan.

He says compliance with good corporate governance principles should come about through a combination of voluntary application, and legislation and regulation.

“I think that you need a strong compliance environment in any country, but there are certain things that cannot be legislated, that should never be made mandatory within a legal environment,” Malan puts forward.

“There is the old adage that you cannot legally force people to be ethical. You can put in controls in terms of their performance or their behaviour in industrial relations or environmental management, etc. – but you always need to leave enough space for companies to innovate, to do things because they want to do them and not because they have to do them.

“In theory, that should at least give them a competitive edge,” he says. “And because they want to do it, that builds a business case for ethics and strong corporate governance.

“At the same time, one should not overemphasise the business case. One should perhaps put more emphasis on the moral case for ethical leadership and for corporate responsibility, because, sometimes, from an ethical perspective, stakeholders will expect companies and governments to do some things because it is the right thing to do from the ethical perspective.”

Malan became involved with the UN PRME when the USB became the first South African business school to sign up to its principles.

He was invited to serve on the working group that is now developing a generic curriculum framework that will focus on anti-corruption content to be introduced in business schools around the world.

The ICGN, in which Malan is involved, has a range of committees focusing on what is regarded as the key corporate governance issues of the moment and relates to the development of integrated reporting.

He grew up in Franschhoek and Bellville, and completed an honour’s degree in Political Philosophy, followed by a master’s degree in Philosophy, and then an MBA – all from Stellenbosch University.

After working for a small non-governmental organisation, doing small business development in Cape Town, Malan joined KPMG in 1999 where he was an associate director in the forensic accounting group responsible for ethics and integrity services. The combination of the work he did there and the MBA he was completing at the time sparked his interest in business ethics.

Having been invited to conduct a number of guest lectures by Prof. Willie Esterhuyse at the USB, he was offered the opportunity of taking over the professor’s course in Business Ethics at the business school upon his retirement.

About four years ago, Malan entered academia on a full-time basis. At present, he is completing a PhD that focuses on the UN global compact and the impact it has had on the African continent.

He lives at Wilgenhof with his wife, Lize, and daughters Tessa (10) and Greta (7).

Apart from his academic work, Malan enjoys reading – currently, *The Moral Landscape* by Sam Harris – cycling, running, wine tasting, cooking and travelling, the last of which his work provides him with more than enough opportunities. ▲

*Stef Terblanche*

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A photograph of Lindiwe Mazibuko, a woman with long dark hair, smiling warmly. She is wearing a white patterned top with a white cardigan over her shoulders. She is holding a pair of green-handled scissors in her hands. The background shows a blurred outdoor setting with a building and trees.

“The path of divisive, racial politics is an easy one. It is the path of easy villains, lack of empathy and understanding, and the peddling of fear and loathing and resentment”

# The new sharpshooter

## Lindiwe Mazibuko is certainly not the *madam's tea girl*

**L**ike the fictional Mma Ramotswe, Lindiwe Mazibuko is a woman of traditional build and independent mind. At 31, the Democratic Alliance's national spokesperson and shadow minister of Rural Development and Land Reform is South Africa's fourth youngest parliamentarian.

She has come a long way in less than four years with the party. In the local government elections this year, she joined Helen Zille and Patricia de Lille on election posters as the youthful black face of a multiracial DA. Already, she is being touted as the next DA leader in Parliament.

In preparing for my interview with her, I thought I would gauge whether the DA's message – that it is the only party capable of “delivering a better life for all” – was reaching its target market, the black voter.

I showed Patience, my domestic helper, an online picture of Mazibuko.

“Do you know who this is?” I asked.

She peered at the screen and then nodded, “Yes, DA,” she said.

“What do you think of her?” I asked.

“Don't like,” Patience promptly replied.

“Why not?” I asked.

“Zille hates blacks,” she said. “She wants to send them all back to the Transkei.”

“Who told you that?” I asked.

Patience was unable to give me a reply. With her standing at my shoulder, I Googled: “Zille, blacks, Transkei” – and sure enough, the phrase came up, verbatim.

A comment in response to an article on *IOL News* on 15 April 2009 read as follows: “A friend informed me that one of her staff members went to an ANC rally where Jacob Zuma said that Helen Zille hates blacks and will chase all black people to the Transkei.”

Mazibuko is under no illusions that the DA is fighting “an uphill battle to change people's perceptions”. She told the Cape Town Press Club in early August: “The path of divisive, racial politics is an easy one. It is the path of easy villains, lack of empathy and understanding, and the peddling of fear and loathing and resentment.”

Her private-school accent and public profile in the DA has made her an easy target for the kind of politics she sees threatening South Africa's democracy.

“When people talk about white power, it's very obviously repugnant, but it's becoming legitimate to talk about black nationalism in this country,” says Mazibuko.

“Some see black domination today as the appropriate response to the white domination of apartheid. It's a response to the hurt and the pain and the low self-esteem that apartheid has bequeathed to us, but what it's becoming is a tool for populists and for people with nefarious intentions to use people's pain and scar tissue as a way of getting into power and staying on top. It's dangerous – it's bad for democracy”.

She is not afraid to speak her mind. In Parliament in February this year, she challenged Minister of Higher Education and Training Blade Nzimande for using the word “*darkies*”

in parliament. He retaliated by calling Mazibuko a “coconut”.

“Insults like that – it's like water off a duck's back; it doesn't bother me. To me, it's a sign of ignorance,” she says. “It's also racist to assume all black people are a certain way because we're not – we're so different. You look at me and my age, you can make certain assumptions like Blade Nzimande has – that I went to a Model C school; that I had an easy life. You can't make those assumptions about people.”

Mazibuko speaks from experience, of both the diversity and the divisiveness of South Africa: Fluent in four of South Africa's 11 official languages, she has lived in small Swazi towns, the Durban township of Umlazi, and the leafy suburbs of Durban and Cape Town, attended a Jewish primary school, learnt Hebrew and been at the receiving end of discrimination herself. Her private school education came at a cost.

Born in Manzini to a South African banker and a nurse, her grandfather was the Anglican bishop in Swaziland.

Mazibuko is the second-youngest of five children; she has three brothers and a sister.

Her father's job was to rehabilitate failing branches of Barclays Bank and so, in the first six years of her life, the family moved from Manzini to Mbabane, to Nhlanguano, Piggs Peak and Big Bend.

Mazibuko's earliest memories are of Swaziland: “the weather, how rural it is. We didn't live in cities, we lived in small towns dominated by one or two farming families, and everyone was attached to them in some way.”

Mazibuko Sr. was headhunted by African Bank, and the family returned to South Africa in 1986. The country was in a state of emergency, with blood flowing and bullets flying in the townships.

The family moved to Umlazi, the largest township in KwaZulu-Natal – second only to Soweto in size. Her father later ran a successful butchery and a supermarket here.

“The difference was astonishing,” Mazibuko recalls. “Traumatic. I hated living in Umlazi. I hated South Africa.

“It wasn’t township life so much as the kind of township in which we were living in 1986/87. It was Casspir’s in the street, gas in the backyard.

“It was being hassled by the neighbour’s kids because I was different. I spoke differently. I spoke English, I spoke Seswati (both home languages). I learnt isiZulu eventually,” she says.

“Of course, at the same time, because of the Bantu Education system, we couldn’t go to

Model C schools. I went to a Jewish primary school... So it was a lot of alienation at once.”

Turned down by the Catholics at the Our Lady of Fatima convent, Mazibuko, her brother and her sister were accepted at Carmel College, Durban’s Jewish day school (now called Eden College).

Alumni include former editor of the *Mail & Guardian* Anton Harber, surfing legend Shaun Tomson, as well as Chief Rabbi Graeme Finkelstein.

“Everyone had to go to Jewish Studies classes. There were Hebrew prayers in the morning, and every Sunday I went to church. So it was a little bit weird,” she recalls. “At the time, it didn’t bother me much, but I think it bothers me more in retrospect. I sometimes think of little things... like how they called all the kids who weren’t Jewish, ‘non-Jewish’.”

Mazibuko’s sister went on to win the Jewish Studies prize when she was in Matric.

In the dying days of apartheid, the townships were a battleground: “Kids who went to school outside the township, or anyone who went to school at all, were under threat. There were times when we’d hide under blankets on the back seat of the car so my parents could get us out to class – they didn’t want us to miss lessons,” she recalls.

“My parents were obsessive about education, as were their parents. It was the most important thing to them. My mother came from a family of eight surviving children and they all have degrees; most of them have master’s degrees. It was the same on my father’s side of the family.

“Whenever there was some kind of violent clash, we’d stay at our friends’ houses in the suburbs. So for several weeks of every year, we stayed in places like Glenashley, Glenmore, Durban North and Umhlanga Rocks, and saw how people lived in the suburbs – and then went back to Umlazi,” Mazibuko says.

She is quick to add that, “I never felt left out and I never felt alienated. I was a gregarious child; I got along with everybody.

“I was a good student. I learnt a lot of things I wouldn’t ordinarily have learnt. So it was good for me in terms of broadening my horizons.”

After her father died, her mother moved the family to the upmarket suburbs of Umhlanga Rocks and La Lucia. Mazibuko went to an Anglican boarding school in Kloof, St Mary’s Diocesan School for Girls.

## Mazibuko’s thoughts on:

### Education

Equitable, quality education will not happen in this country “until the ANC is willing to do some good old-fashioned union busting”, and challenge the Congress of South African Trade Unions on its unwillingness to adopt performance management for its members.

Having traded the boards for the boardroom, she has her eye on a Cabinet portfolio – Basic Education. “That would be a very central, core business of the DA portfolio; and at national level, it would be a mighty thing to take on.”

### Women’s rights

“The thing about being a young woman in Africa today is that your chances of being successful and having access to opportunities at the moment are very, very slim. So, if you are one of the few who is lucky enough to be able to access opportunities, you really have to grab them with both hands. Do it for those who can’t; and bring people with you.

“I’m heavily involved in the Young Leaders programme. I love mentoring other young women, black and white, because I think there aren’t enough women in politics.

“It makes me angry when somebody like Ferial Haffajee, who does a compelling thing and holds people accountable and is courageous and an independent woman, is painted as someone’s tool. It comes up again and again, and no one challenges it for what it is, which is an implication that women are not thinkers – they’re not doers, they’re tools.”

### Racism

“Race will never be irrelevant, but it doesn’t have to be a stick with which to beat each other.”

### Julius Malema

“The problem is not that Malema exists. Malema exists, and lots of people like him exist. It’s the prominence that he’s afforded. It means that it isn’t a real debate. It’s shouting from the podium.

“That’s his only power – if people give him a platform. The media has the power to set the parameters of that platform.

“Freedom of speech, engagement and opinion require debate. The Malema phenomenon isn’t about debating; it’s about shouting – mostly expletives and insults. He doesn’t let anybody else into the space to challenge him.

“The media can frame the balance because they actually hold the power, but they choose not to.”

### Land reform

“I want to talk to experts, as it’s not my field.

“Everyone is co-dependent on farms. So it’s a way of life that you have to understand first before you can start legislating for it.”

“As soon as I arrived at St Mary’s, it was a completely different experience. I fitted in – hand in glove – everything made sense again. There was no weird dichotomy between the religious experiences. There were more black students at St Mary’s, so I spoke more isiZulu. I started singing, I got into music,” she relates.

In her final year at St Mary’s in 1997, Mazibuko was a prefect and head of the school choir. Her music tastes are eclectic: ballet, choral music, and dance music.

“The best thing about my life is that I’ve never been ‘normal.’ By normal, I mean like everyone else around you. I view that as a huge advantage. I think there’s a certain complacency that comes with being normal. There’s a certain complacency that makes you think that everyone’s life is the same, whereas I feel that, since I’ve lived in this country, at least I’ve never felt that my life is like everybody else’s life,” she says.

“I don’t ever assume I know what people’s experiences of the world are like. From what I’ve seen and what I’ve experienced, people’s lives are not at all the same. That’s why I rail against this idea of groups of people being homogenous; it’s just so untrue. I’ve always made a conscious effort to understand how people experience things differently.”

Mazibuko set her sights on becoming a soprano. She studied music at the University of KwaZulu-Natal for one year, but did not find the course challenging enough.

Trinity College in London turned down her application for a bursary, and she waitressed in a London coffee shop, hoping to find a way to raise the tuition fees.

In 2002, Mazibuko was back in South Africa and, two years later, was studying at the University of Cape Town for a degree in Political Communication.

In her honour’s year, 2007, she did her dissertation on Helen Zille. She admits that, “It wasn’t the greatest work I’ve ever churned out”, but it proved to be the beginning of her political career.

At the time, Zille was mayor of Cape Town and the frontrunner in the race for DA leader. Mazibuko’s hypothesis was that the media was giving Zille greater prominence than the other two candidates because “white-owned newspapers with white-owned capitalist interests were protecting a white capitalist”.

“I interviewed all these journalists. They all turned out to be black. And the majority



“Ideologically, I’m in the right place because I’m in a liberal democratic party that believes in individualism and social responsibility”

readership of the *Cape Argus* turned out not to be white, but coloured. And the fact that Zille was getting so much press coverage was due to the fact that she was available, media-savvy and ran the best public campaign,” she says.

“It taught me a few things about the media and about preconceptions.”

The dissertation got Mazibuko interested in the DA, and a job as a research assistant to the party’s MPs on Parliament’s Standing Committee on Public Accounts.

“Ideologically, I’m in the right place because I’m in a liberal democratic party that believes in individualism and social responsibility. It believes in the power of diversity because each person brings something special to the table. It believes in the importance of redressing the past. That’s a very important alternative to have in a country like ours when the dominant tide still is toward groupism, with separate political parties for Indians, for coloureds, for Afrikaners, for blacks, for whites,” she notes.

“It’s a hard sell. It’s the slow attrition of the idea that if you vote for a party where everyone looks like you, you’ll be safe.

“I think the best way to be able to embrace diversity and multiplicity is to have a strong sense of individualism at your centre. Once you have a strong sense of individualism, you have the ability to tolerate difference and respect

difference. That’s what this country has to be about,” Mazibuko adds.

“There are only two alternatives: there’s racial nationalism, or there’s unity. The Malema route, the populist route, is the far easier route. It’s easier to hate than it is to understand people.”

She continues: “I feel, increasingly, people have abdicated responsibility through a slow attrition of a culture of personal responsibility. They have abdicated responsibility – not just for their own futures, but for this country as a whole.

“A lot of people think you mark your X and you walk away. That happens in developed countries, but we’re not there yet. The struggle isn’t over, and it takes more than just a few people at the top to fix it.

“If people are willing to go out and do the hard work, and try to understand each other and where their differences lie and make efforts – learn each other’s language,” Mazibuko advises.

“My next speech in Parliament, I’m going to have a go in Afrikaans. Stuff like that says to people in real terms that you are for unity and reconciliation and understanding.

“It’s a slow and painful road, but someone’s got to walk it,” she concludes. ▲

Laurianne Claese

# The art of philanthropy

## Benefits for all, from the brushstrokes of a few

**W**hile investment in art has long been the preserve of the wealthy, an increasingly important trend toward philanthropy means that, in certain instances, the less fortunate and more needy sections of society may be able to derive benefit from this form of investment.

This is the philosophy underpinning the 2011 Art Benefit Auction that was held on 3 September at Leeuwenhof, Cape Town.

All proceeds of the event – hosted by leading wealth management company, BoE Private Clients, as part of its commitment to the cause of philanthropy in South Africa – will be donated to the Red Cross War Memorial Children’s Hospital.

BoE Private Clients’ managing director Paul Finlayson explains that philanthropy underpins the company’s focus on partnering with clients to promote the greater prosperity of the community, as part of its vision “to create prosperity through people and partnerships”.

“On the back of the most serious economic recession in decades and the subsequent re-evaluation of the values that underpin our society, we realise now more than ever that our focus must be, not simply on building relationships with our clients, but on developing ‘partnerships’; not simply on creating and preserving wealth, but on promoting ‘prosperity,’” he says.

“In that spirit, the Art Benefit provides the perfect opportunity to partner with potential buyers as well as the organisers of the event, and an extremely impressive lineup of local artists – all

of whom donated original artworks for auction – in order to provide much-needed facilities for the Red Cross War Memorial Children’s Hospital, which continues to touch the lives of thousands of young patients in our community.”

The proceeds from the auction will go to the Children’s Hospital Trust, which raises funds for the Red Cross War Memorial Children’s Hospital and paediatric healthcare in the Western Cape. The funds will be used for the purchase of specialist equipment required for the hospital’s new Burns Unit, currently under construction.

The existing Burns Ward was built in 1956, and treats approximately 3 500 children with burns every year.

The event was organised by Amanda Bloch, patron of the Children’s Hospital Trust, in collaboration with Linda Givon, founder of the Goodman Gallery for Contemporary Art.

Artists who provided the art for auction included Deborah Bell, Willie Bester, Steven Cohen, Hasan and Husain Essop, Kendell Geers, David Goldblatt, Pieter Hugo, William Kentridge, Moshekwa Langa, Berni Searle, Penny Siopis, Mikhael Subotzky and Sue Williamson.

Finlayson notes that philanthropy is enjoying increased currency in South Africa as more and more high net worth individuals seek to channel resources into sustainable means of supporting and developing society. In recognition of this trend, BoE Private Clients established its own Philanthropy Office in 2009.

“The BoE Private Clients Philanthropy Office was specifically set up to facilitate the involvement of individuals and families, as well as corporates

wishing to set up their own charitable foundations through the establishment and structuring of charitable trusts or other appropriate entities,” he explains.

“The office also provides services to international donors and aid agencies, and to non-profit organisations that benefit from a customised approach toward achieving longer term financial sustainability and effective performance.

“The formal structure effectively cements a service provided by BoE Private Clients over a period of well over 150 years,” Finlayson adds.

He notes that although the biggest philanthropists globally remain based in the United States, billionaires such as Bill and Melinda Gates and Warren Buffet, as well as organisations such as the Ford Foundation and the Lily Endowment Inc., South Africans are starting to play an increasingly important role in global philanthropy.

“Philanthropy in South Africa is a growing in momentum: We are a generous nation of givers, but there is a clear move toward formalising the giving process, with individuals setting up foundations and applying a more strategic approach to their giving,” he says.

For the second consecutive year, the BoE Private Clients’ Philanthropy Office has been selected from among the best in the world and short-listed for a global Philanthropy Team of the Year award by the Society of Trust and Estate Practitioners based in the United Kingdom. The team is the only one from Africa to receive this recognition. ▲

[www.childrenshospitaltrust.org.za](http://www.childrenshospitaltrust.org.za)



Pieter Hugo and Obekchukwu Nwoye, *Enugu, Nigeria* (2008) – C print



Jan Neethling, *The Boss* (2006) – etching



Santu Mofokeng, *Playing pool, Boitumelong Township* – silverprint



Guy Tillim, *Rayina Henock and Massiye Henock, Petros Village, Malawi* (2006) – archival pigment ink on cotton rag paper



David Goldblatt, *Moonrise over Diepkloof, Soweto* (1972) – gelatin silver photograph



Moshekwa Langa, *Untitled* (1999) – mixed media on paper



Claire Gavronsky, *Red Crossing* (2011) – oil on canvas



Deborah Bell, *Wonder* (left) *Voice* (right) (2011) – mixed media



Walter Battiss, *A Rare Plant* (1973) – silkscreen on paper



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# Live the life of Reilly

We all like the finer things in life. The ultimate in being successful is giving yourself the time to do what you want to do and being able to afford it. *Leadership* looks at some of the finer things to buy and places to go. Go on, if you can – indulge yourself!



African royalty

The *Zambezi Queen* is a luxurious 45-metre floating boutique hotel situated on Botswana and Namibia's great Chobe River, now offering visitors a once-in-a-lifetime experience. Guests can now experience the thrill of an African safari from their own private suite aboard this luxurious boat.

There can be few natural wonders as synonymous with Africa's raw wilderness as

this stretch of untamed waters. The Chobe River divides Botswana's Chobe National Park from Namibia's Caprivi Strip; and its exotic banks boast one of the densest populations of wildlife on the African continent.

This national park teems with life and is home to the largest populace of elephants in the world, currently estimated at about 120 000. Along with the elephants, prides of lion, leopard,

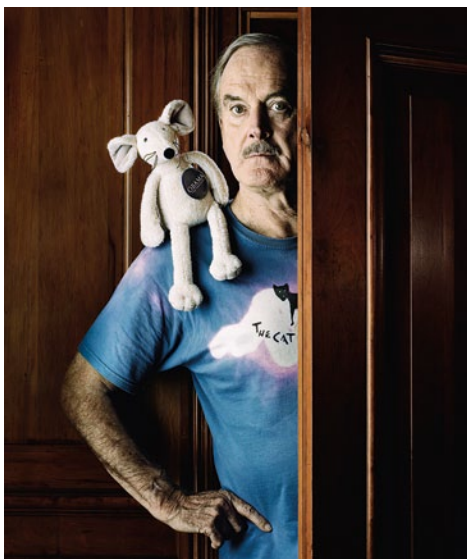
huge herds of buffalo and numerous species of antelope can be seen on the river banks, with hippos and crocodiles in the waters alongside. It is on this great expanse of water that an adventure unlike any other awaits.

The *Zambezi Queen* operates in five-star luxury, where the essence is about pampering, indulgence and personalised comfort: offering 10 Suites and four Master Suites, all en-suite with king or twin beds, private balconies and fans for those hot summer afternoons.

Of the vessel's three levels, the first boasts an air-conditioned lounge, coupled with a small library. The remainder of the first and the entire second level contain the 14 luxury suites. On the third and highest level is an entertainment deck with dining facilities, unobstructed views, telescope for exploring the African night-time sky, an open-plan lounge and a stylish bar stocked with the finest wines and spirits.

All areas are protected by mosquito screens, which allows for a comfortable and pleasant environment for relaxing and dining.

For more information, visit [www.mantiscollection.com](http://www.mantiscollection.com)



## The King of Funny Walks hits our shores

For the first time ever, comedy legend and the most senile member of Monty Python will be bringing his Alimony Tour to South Africa.

Catch this intimate performance from 21 to 22 October at the Cape Town International Convention Centre and at the Teatro at Montecasino Johannesburg from 25 to 29 October 2011.

Best known for his idiosyncratic turns in *Monty Python's Flying Circus* and *Fawlty Towers*, John Cleese will bring his unique comedic perspective to audiences across South Africa.

From writing to starring in plays, musicals, theatrical and comedy productions, to films and sitcoms, he has done it all – and now it is time for him to tell you about his jam-packed life.

Cleese says: "It is an evening of well-honed anecdotes, psychoanalytical titbits, details of recent surgical procedures, and unprovoked attacks on former colleagues, especially Michael Palin."

Cape Town – presented by *567 CapeTalk*  
21 to 22 October 2011  
CTICC  
Tickets from R350 to R500

Johannesburg – presented by *Talk Radio 702*  
25 to 29 October 2011  
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## Do not miss out on this musical spectacular

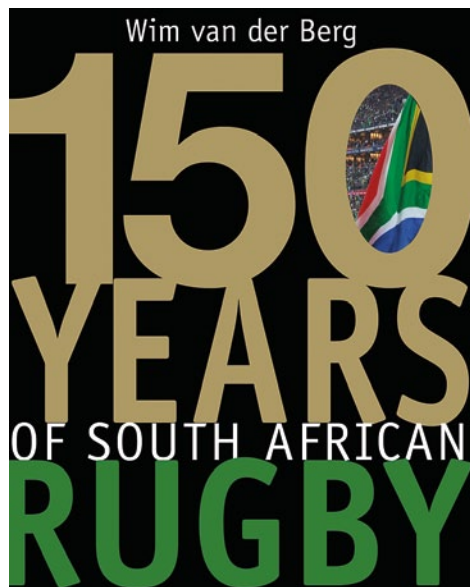
Symphonic Rocks is back in 2011 with an exciting new line-up and an extra show. The concert, which features top South African artists backed by a 65-piece symphonic orchestra, will take place in Cape Town at the GrandWest Arena on Saturday, 1 October 2011. It then moves on to Johannesburg for a show at the Big Top Arena on Friday, 7 October 2011.

This year's Symphonic Rocks concert features a cross-genre mix of music: from rock, pop and adult contemporary, to R&B, hip-hop and electro.

The line-up will feature Arno Carstens, Loyiso, Ard Matthews of Just Jinjer, CrashCarBurn, Zebra and Giraffe, Tumi And The Volume, and Cape Town's Flat Stanley. The Johannesburg concert will include Locnville and Freshlyground's vocalist, Zolani Mahola.

It is great to see the return of Symphonic Rocks after the huge success of the 2010 concert in Cape Town. The show is the brainchild of Flat Stanley's frontman Andy Mac who, for a number of years, worked on the idea of a concert featuring South African artists and a symphonic orchestra. In 2010, the idea became a reality and now we are seeing the result of much hard work and effort by all the musicians and parties involved.

Tickets are available from Computicket and prices start at R225 each. If last year is anything to go by, we should be in for a brilliant show – so do not miss out. Get your tickets for Symphonic Rocks and enjoy!



## Win with the Boks and Leadership

The year 2011 marks an important milestone in the life of rugby in South Africa: the first rugby game was played on South African soil in 1861, making this the 150th year of the sport in this country.

In the book *150 Years of South African Rugby*, Wim van der Berg follows the development of the game from its earliest beginnings at Bishops in Cape Town to its status as a national obsession.

We meet the players, the teams and the men in charge throughout the history of South African rugby, and share the highs and lows of the game: the euphoria of the World Cup win at Ellis Park in 1995, the long days of sporting isolation, the chaos of segregated rugby administration under apartheid, and the dedication of players who travelled five days by mule-wagon and by train from Kimberley to Cape Town to play a match in 1884.

The players change over the years, the rules and scoring systems change, but the spirit of

the game is enduring – inspiring generations of players and spectators.

Van der Berg follows the changes in provincial rugby, the move from an amateur game to professionalism, the growth of the major competitions that television viewers follow so passionately, but he never loses sight of the people behind the game – the players, the coaches, the administrators and the fans.

Included are detailed statistics on the Currie Cup and international matches through the 150 years of rugby's history in South Africa: who played, who scored, final scores and much more.

*To win one of three books, send your answer to the following question to the "Leadership" editor: robbie@capemedia.co.za*

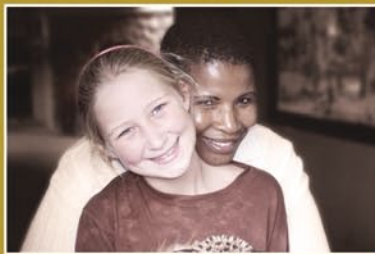
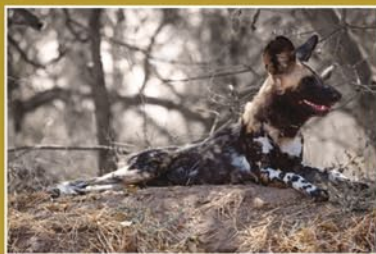
*Question: Who do the Springboks play in their opening game of the RWC 2011?*

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## The indelible image

London, England – 6 August 2011: London's burning! In a scene reminiscent of South Africa in the 1970s, a Carpetright store burns on Tottenham High Road after being set on fire by youths protesting against the killing of a man by armed police in an attempted arrest. Twenty-nine-year-old father of four, Mark Duggan died on 4 August after being shot by police in Tottenham, North London.

*Photo by Matthew Lloyd/Getty Images*

## Don't quote me

"An intellectual says a simple thing in a hard way. An artist says a hard thing in a simple way." – *Charles Bukowski*

"Judge a man by his questions rather than by his answers." – *Voltaire*

"We shouldn't teach great books; we should teach a love of reading." – *BF Skinner*

"Politics is the art of looking for trouble, finding it whether it exists or not, diagnosing it incorrectly, and applying the wrong remedy." – *Earnest Benn*

"What we are is God's gift to us. What we become is our gift to God." – *Eleanor Powell*



# A Grand old dame

**D**uring World War 2, the United States Military enlisted a new light reconnaissance vehicle. And it seems apt we are reviewing this car in this issue, as this month celebrates the 70th anniversary of Jeep.

The Overland model designation resurrects a famous name from the past: The company started building cars in 1903 and later was taken over by Willys to form Willys-Overland. Before World War 1, it became one of the country's largest car companies and later was one of the manufacturers that built Jeeps in World War 2.

The V8 engine is the famed "hemi", pioneered by Chrysler Corp., but the name no longer is used on Jeeps – it is reserved for Dodge and Chrysler models.

It is linked to a five-speed automatic transmission with a manual-shift mode, which works well enough, but gives up bragging rights to competitors, most of which now have six-speed automatics.

Included in the Quadra-Drive all-wheel drive system is Jeep's Selec-Terrain system, which enables the driver to choose among five modes for different conditions: automatic, mud/sand, rock, snow and sport. The last is performance-oriented for on-road driving; it tightens the suspension system and recalibrates shift points for a sporting rear-drive handling feel.

The 2011 Grand Cherokee's redesign has given it an especially high-quality cabin.

Much to my kids' delight, the Grand Cherokee offers two unique television options that could prove a blessing when you have a car full of screaming, bored children.

It comes with the rear DVD entertainment centre, which includes a rear-seat video system that can play two different DVDs on two screens. Perfect when your son wants to watch *Harry Potter* and your daughter wants to watch *Barbie*.

And donning the wireless headphones, you would swear you were alone in the car for a long journey.

Also part of the package is an air suspension system, which Jeep calls Quadra-Lift. It automatically levels the Grand Cherokee at all four corners and can be manually adjusted to raise and lower the ride height by as much as 4.1 inches. In the boondocks, it can increase the ground clearance to nearly 11 inches. It automatically lowers the ride height slightly at highway speeds for better fuel economy.

Even with its near 5 000-pound weight, the Grand Cherokee Overland model had plenty of punch off the line.

Surprisingly, I found the V8 is not as thirsty as I had anticipated, as it is listed at a high 14.1 litres/100km.

On the highway, the Overland was quite smooth and quiet, given its SUV orientation.

There was little wind, mechanical or tyre noise.

Inside, the front seats were supportive and comfortable, with good lateral support; and the surroundings featured real wood trim (plastic on lower priced models). Instruments had easily readable white-on-black numerals.

I personally enjoy touchscreen displays, so it was a pleasure changing radio channels or media options.

The Overland's standard equipment includes a leather-and-wood steering wheel with a rim that is way fatter than generally found on vehicles these days.

Off road, this baby comes into its own but, to be honest, I found it just a little too bulky for normal day-to-day running around – and I assure you, I do not usually have an issue with parallel parking...

All in all, however, the 2011 Grand Cherokee shows that the reborn Chrysler is getting it.

Price tag is R582 990. ▲

*Robbie Stammers*





# 2011 Grand Cherokee Jeep Overland





### Up close and personal

Nicky Greenwall launched her new show *The Close Up: A Showbiz Special Report* at the 15 on Orange Hotel in a star-studded affair. The show, which will air on e.tv, takes an in-depth and revealing look at some of South Africa's biggest celebs.

Among the stars of the show who walked the red carpet were pop duo Locnville, actor Kenneth Nkosi, Flash Republic frontwoman Tamara Dey, rapper Jack Parow, and model and socialite Lee-Ann Liebenberg.

1. Gerhard du Toit and Lucindi-Jane Ohlhoff
2. Mark Ledger and Robin Fryer
3. Gary Hartley, Tinet Crous, Nicky Greenwall and Rashida Koff
4. Tamara Dey and Isaac Klawansky
5. Kenneth Nkosi and wife, Itumeleng
6. Gabi Jansen, Marina Nestle and Jules Illing.
7. Madyakuolova Dzovo and Herschelle Gibbs



### A snowy affair

Belvedere Vodka launched its iconic BELieVE Campaign in Johannesburg in August 2011 at one of the top clubs the city has to offer – Hush, in Rosebank. The popular Hush was transformed into an icy Winter Wonderland, with Belvedere's iconic snow-capped trees greeting guests as they arrived at the venue, complete with fake snow falling from the sky. In keeping with Belvedere's luxurious winter theme, VIP guests looked stylish dressed in all white.

8. Oupa Papa Kopane Bopape and Eda Rose
9. Simba Mhere, Nofundo Komotolo and Russell Lang
10. Performer Lady Z with Teddy
11. The Belvedere Vodka ladies
12. Lee-Ann Liebenberg and Nicky van der Walt
13. Lesego Moraladi and Katlego Maboe
14. One of the BELieVE dancers



# My thoughts about thinking...

## ...and not thinking



**When I lectured Hospitality Industry Law to students, I was surprised that hotel guests stripping during thunderstorms and hotel owners getting back rubs formed part of the curriculum.**

Only as I came to understand how my students thought – or did not think – could I see where they had learnt about these darker aspects of life in the hospitality trade.

A student’s statement in an assignment: “It can be dangerous when there is no lightning between shay leys (sic) and guest strips” was merely the somewhat reworded textbook example of: “It can be dangerous when there is no lightning between chalets, and guests trip.”

Similarly, a person will be denied a liquor licence when he or she has been “back-rub”. Another word, according to this student, for “insolvent”.

As the year wore on, I despaired for my students. I thought incessantly about the causes for these low levels of literacy.

Is it the fact they were denied an education under apartheid, I asked myself? Yet, the majority of my students began high school around a decade after the transition to democracy in 1994.

Is it the fact they are learning in a second or third language, I wondered?

Speaking four languages myself, I am very aware of the difficulties of expressing oneself coherently outside of one’s mother tongue. I have announced myself to be pregnant after a meal in France, instead of full. I have told puzzled French tourists about the need to wear helmets to the beach in South Africa because the sun is very harsh. I meant to say “caps”. Really,

I know all too well how easy it is to muddle up words that sound the same, like the student who wrote that “the man disgust the matter with his attorney”.

I learnt to overlook the non-existent grammar, the SMS language that students are more familiar with these days (“if u r found guilty”) and the unintentionally funny: “You cannot smoke in a car with under 12 children.”

I focused on whether the student had grasped the essence of what I was trying to teach. I could see past the errors that were indicators of a poor education system, without blaming the students. But I could not overlook the errors that were indicators of an inability to think. I expected, and I continue to expect, that having gained entrance to university and having spent three years in tertiary education, a student should demonstrate basic powers of deduction, notwithstanding the poverty of their schooling.

Three of my students in their fourth year did a small survey on sexual harassment in the hotel industry, in which they asked 20 hotel employees: “Have you, or has someone you know, been sexually harassed in a hotel?”

The survey revealed that one of the employees had been involved in an incident of which most of her co-workers had knowledge. As a result of the way the question was phrased, 15 of the 20 respondents said “yes” to the question.

My students told me confidently that 75% of the staff at this hotel had been sexually harassed; they drew me a pie chart to demonstrate.

Was I wrong in being disappointed? Was I expecting proficiency in quantitative analysis? Or was I expecting one of those three students to look at the survey and results,

and say: “Hold on, maybe we’re not asking the right question?”

When the pass rate for my class was lower than for other classes, I was told I was “expecting the students to think like lawyers”. I was not; I was simply expecting them to think.

Somewhere along the line, we have stopped teaching students how to think. We expect them to remember stuff, but that is quite different from thinking about things. South Africa has forgotten what the point of education is, particularly tertiary education. We have forgotten that the content is often irrelevant – it is the ability to reason and think in abstract terms that matters.

I was taught, to some extent at school but mostly at university, how to think. Only now can I see the enormous value of growing up in a family in which we were expected, even as children, to have thoughts worth sharing. My ability to think was nurtured and developed – children need this, students need this. We have to value our future generations’ capacity to think.

Nancy Kline’s book *Time To Think* centres on how to create environments that encourage people to think because, as she puts it: “The quality of everything human beings do depends on the thinking we do first.”

Quite simply, we cannot afford not to think. We cannot afford to have any South African tertiary institutions not placing the highest value on critical thinking. Schools may teach too much by rote, companies may focus on profits instead of the free flow of ideas, but universities should unquestionably be focused on generating students’ ability to think. ▲

*Amanda Boardman*

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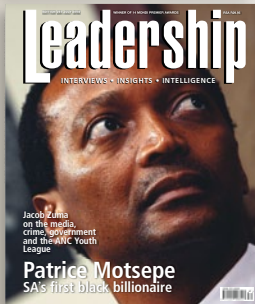
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**Sibusiso Mkwana, features writer, Vibe, The Citizen**



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# A national problem

## Malema is not an African nationalist

**T**he media in South Africa has popularised the false notion that racist demagogues such as Jimmy Manyi, Julius Malema and most recently Eric Miyeni are what they have termed “African nationalists”, all because they preach a gospel of anti-white, anti-Western rhetoric that is somehow popular with South Africa’s unsophisticated majority.

At the risk of being accused of intellectual arrogance, I would like to challenge this widely held mantra, which would be an affront to authentic African nationalists of yesteryear such as Anton Lembede, the founding president of the ANC Youth League and Robert Sobukwe, the founding president of the Pan Africanist Congress.

African nationalism has nothing to do with racially divisive, polarising policies and ideologies as promulgated by the Malemas and Manyis of this world. To quote Robert Sobukwe, a genuine African nationalist if ever there was one, “If your thoughts go skin-deep, your mental development will remain skin-deep. A doctrine of hate can never take people anywhere, it is too exacting. It warps the mind. That is why we preach the doctrine of love – love for Africa.

“We can never do enough for Africa, nor can we love her enough.”

African nationalism is about a passionate love for this continent and a devotion to its well-being and development, which can be found among people of all racial and ethnic groups on the continent.

In fact, race is inconsequential and insignificant to true African nationalists as the following words from Sobukwe will reveal: “When I say

Africa for Africans, I have always made clear that by African I mean those of any colour who accept Africa as their home. Colour does not mean anything to me.”

To speak of African nationalism is to speak of a racially inclusive, intellectually sound conviction founded on a common love for and devotion to the continent, not the imbecilic ranting and raving of the likes of Malema and Miyeni as our ill-informed media has led us to believe.

This kind of love and devotion to the continent is so strong that it can bind us together under a common vision and with shared values, despite the fact that we have different cultural persuasions, diverse ethnicities and even contrasting ideologies. It is found equally in peoples as culturally and racially diverse as Zulus and Afrikaners, for example.

African nationalism is about the African, freed of all racial and ethnic bias, making his contribution as part of the human family without being caught up in the parochial, narrow, anti-Western sentiment that characterises the views of Malema and his ilk.

It is about the African finally awakening to the fact that he has a critical role to play in the continued development and evolution of humanity. This is what Sobukwe meant when he said, “We have chosen African nationalism because of its deep human significance, because of its inevitability and necessity to world progress. World civilisation will not be complete until the African has made his full contribution...

“It is necessary for human progress that Africa be fully developed, and the opponents of African nationalism, therefore, are hampering

the progress and development not only of Africa, but of the whole world.”

And lastly, African nationalism is defined more by what Africans stand for and aspire to, than what they are against and what they have experienced in the past.

Unlike the Malemas and Manyis of this world whose purported ‘African nationalism’ is characterised by a hatred of the West, a focus on our divided colonial past and anti-white sentiment, genuine African nationalism has a more positive, futuristic outlook that encompasses all those who have a history on this continent, live on this continent and are hopelessly in love with it.

It is best seen in the words of Chief Albert Luthuli, “The task is not finished. South Africa is not yet a home for all her sons and daughters. Such a home we wish to ensure. From the beginning, our history has been one of ascending unities, the breaking of tribal, racial and creedal barriers...

“There remains before us the building of a new land, a land for men who are black, white, brown, from the ruins of the old narrow groups, a synthesis of the rich cultural strains which we have inherited...

“Somewhere ahead there beckons a civilisation, a culture which will take its place in the parade of God’s history, beside other great human syntheses. Chinese, Egyptian, Jewish, European. It will not necessarily be all black; but it will be African.”

This is the African nationalism that Malema, Manyi, Miyeni and our media know nothing about. ▲

*Ndumiso Mugabe*



COLUMN



# Och, Aye the Noo

## The proof is in the porridge

**P**laying golf on the famous Open courses of Scotland some years ago was, in all honesty, a sham. I had hoped to get away with the real reason for my trip to Scotland, but no such luck. Month after month of being niggled by my conscience and slow, drip-treatment interrogation by my regular golfing fourball and I caved in, admitting that I was not in search of birdies, eagles or pars, but rather hunting for something far more profound, even though it would make complete strangers point their fingers at me and snigger.

Porridge. That is the grail I was after. Perfect porridge.

My first port of call was the stately Gleneagles Hotel, sitting majestically in a forest, slap bang in the middle of Scotland and surrounded by three magnificent hillside golf courses on which I managed, with a three wood into the wind on a short hole, to hit the ball straight over the flag – only to have it come back on a brisk southerly buster, clean over my head. Greater Scotland learnt three new, very ugly words that day.

I cannot remember too much about those three courses, but I do recall that it is possible to drown one's sorrows utterly and completely in a single malt whisky from Islay.

The next morning, quite free of any hangover and still not caring tuppence about my score of the day before, I dressed myself for the occasion in Harris Tweed and presented myself at breakfast.

Frankly, I do not think the chef at Gleneagles had been paying attention during Porridge #1

at whatever school of higher culinary learning he attended because it was completely underwhelming. (Hardly surprising, since the majority of true blue Scottish cooks these days tend to speak only Spanish.)

It was simply oats cooked for about 15 minutes and then allowed to bubble in a brass pot in between some self-service scrambled eggs and a particularly mournful haddock.

Now, while many culinary cretins will wonder what on earth may be wrong with porridge if simply boiled for 15 minutes, I need to point out that while the Scots may not have a clue about cooking anything else on earth, they do take their porridge seriously.

I also take it extremely seriously, and am inclined toward temper tantrums when it is not prepared properly.

Indeed, it does involve oatmeal, boiling water and salt. But, you do not simply chuck it all in and boil away. That is like suggesting a triple bypass operation is simply a question of chopping someone's heart out and making a plan with the frilly bits.

Once the water is boiling vigorously, the oatmeal is added in a thin stream with the left hand while stirring briskly with the right, using a wooden thingummyjig called a spurtle.

It is absolutely vital that porridge is stirred clockwise and never vice versa because this not only makes it taste like something a shire horse has regurgitated, but there is also the risk of goblins coming out from under your bed at night and stuffing peat moss up your nostrils.

When it has returned to a brisk boil, heat is reduced slowly and uniformly, and the pot is covered and allowed to simmer gently for about

15 minutes. After that, salt is added to taste and stirred in well.

Ideally, this should be done round about late afternoon so that it can simmer away quietly until morning.

Porridge should be eaten standing up because early-morning hunters of the olden day did not want to risk being kicked to death as their horses went berserk at the smell of boiled oats.

It should be eaten in wooden bowls and not in china plates or silver porringers, which could cause third-degree burns on the palms of one's hands. Simple Scottish logic.

Cretins can, of course, sprinkle sugar on their porridge; and while this does not really affect the taste too much, it is life-threatening if eaten in the company of true Scottish porridge aficionados, particularly those wearing scowls, no underwear and broadswords.

Milk or cream can be used, and the idea is not to mix it all up as is the wont of plebs and philistines, but rather to take a spoonful of porridge and then scoop up some cream or milk to cool it off.

The porridge at the Old Course Hotel, St Andrews had indeed been stirred clockwise with a spurtle and had bubbled away all night.

It was served with warmed local honey and thick Jersey cream.

I did not eat it standing up because the chef told me that the sight of a South African golfing git standing about slurping porridge and saying "Och, Aye the Noo" after every mouthful, tended to put paying guests off their kedgere. ▲

*Chris Moerdyk*

*HOSNI MUBARAK, former Egyptian president, at his trial for killing hundreds of protestors during the rebellion that led to his resignation on 11 February 2011:*

**“I totally deny all those charges.”**

---

*THE WILDLIFE CONSERVATION SOCIETY, parent company of New York City’s Central Park Zoo, after a peacock wandered from the park – only to perch itself on a window ledge on Fifth Avenue:*

**“The peacock poses no danger to anyone.”**

---

*A chant by hundreds of men and women in Tripoli, in reference to Muammar Gaddafi and his dissolving grip on Libya:*

**“It’s over, frizz head!”**

---

*WOLFGANG FENGLER, the World Bank’s lead economist for Kenya, on the famine in the Horn of Africa:*

**“This crisis is man-made.”**

---

*PRETORIA UNIVERSITY LAW FACULTY’S CENTRE FOR HUMAN RIGHTS, on President Jacob Zuma’s nomination of Constitutional Court Judge Mogoeng Mogoeng as the new Chief Justice:*

**“Compared to his predecessors in the post-1994 era, Chief Justices (Arthur) Chaskalson, (Pius) Langa and (Sandile) Ngcobo, whose appointments reflected their considerable academic and intellectual stature established by illustrious careers prior to or as members of the court, the basis for Justice Mogoeng’s nomination is startlingly unclear.”**



*SENATOR HARRY REID, Senate majority leader and Democrat from the US State of Nevada, on the debt limit deal:*

**“Neither side got what they wanted, but it is the essence of compromise. (We) realise the situation we’re in and the alternative.”**

---

*PATRICIA DE LILLE, Cape Town mayor, calling on the leader of the ANC in the City, Tony Ehrenreich, to support a claim for damages from striking municipal workers who went on a rampage in the city:*

**“I call on the leader of the opposition in the City Council – Councillor Tony Ehrenreich – to join me in condemning illegal behaviour and to support the City claiming for damages from Samwu.”**

*MAITE NKOANA-MASHABANE, International Relations minister, dismissing reports that South Africa was extracting Gaddafi for asylum:*

**“The South African government would like to refute and dispel the rumours and claims that it sent planes to Libya to fly Gaddafi and his family to an undisclosed location.”**

---

*SINDISO MAGAQA, ANC Youth League secretary, in a statement supporting the League’s leader Julius Malema and party spokesperson Floyd Shivambu in light of misconduct charges brought against them over comments made about Botswana. Magaqa stated that the ANCYL would request an urgent meeting with the leadership of the ANC:*

**“The national executive committee is convinced that the issues contained in the charges are political issues, which require discussion in the structures of the ANC.”**

---

*MUSLIMO HUDOW, a Somali woman in a refugee camp in Mogadishu who recently lost three children to malnutrition. Somalia is experiencing its worst drought in 60 years:*

**“This is a catastrophe like I have never seen.”**

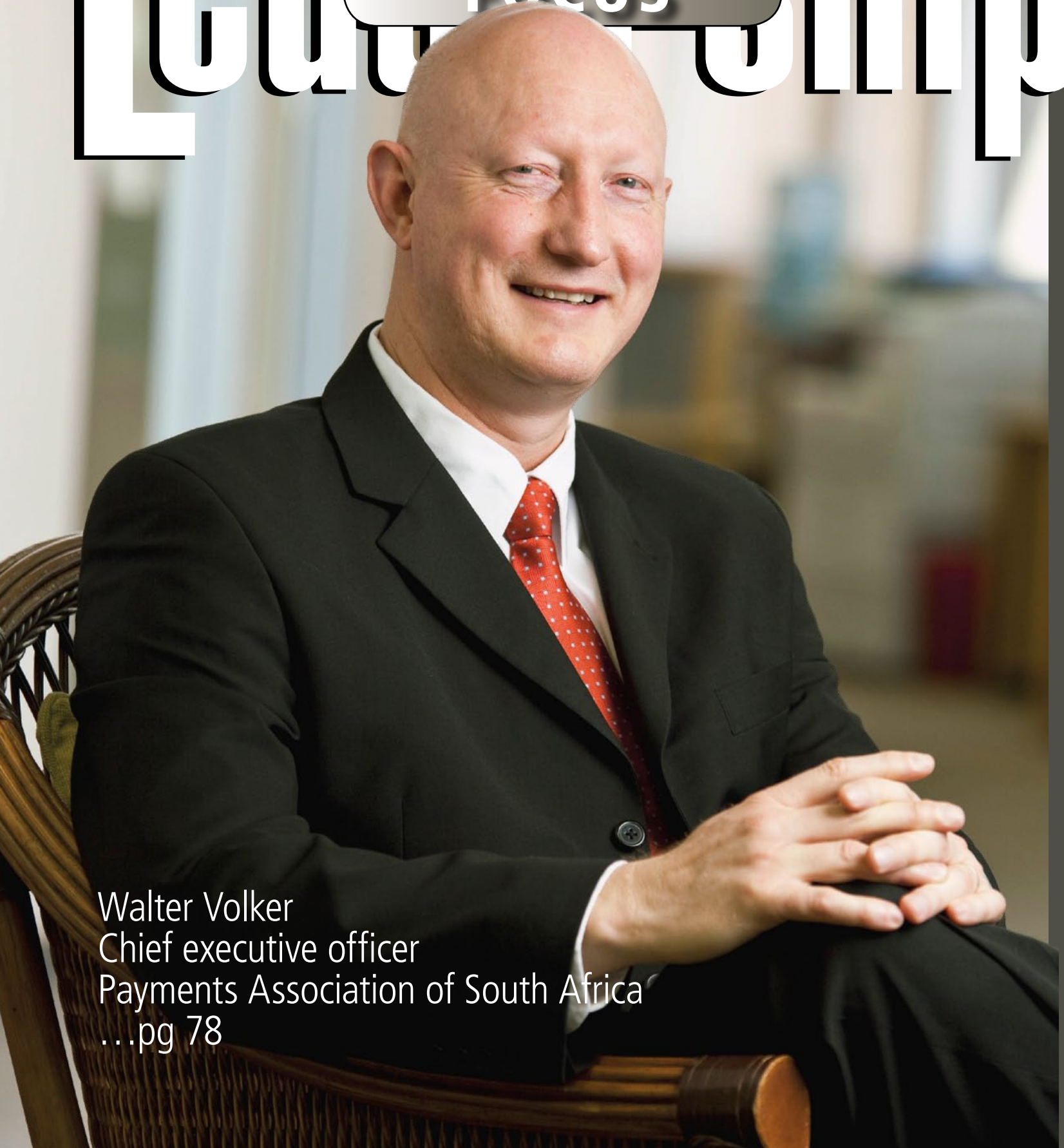
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*TOM BRAKE, British MP, on the controversial sentences imposed on some convicted rioters; two men are to be jailed for four years each for posting Facebook messages that incited people to create disorder in their hometown:*

**“This should be about restorative justice... it should not be about retribution.”**

# Leadership

FOCUS



Walter Volker  
Chief executive officer  
Payments Association of South Africa  
...pg 78

SPECIAL ADVERTISING SECTION

# Leadership

## FOCUS



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# Advanced Capital

## Creating sustainable value for partners

**H**ugo Knoetze (42), the group chief executive officer of Advanced Capital, has been firmly steering the business since its launch one year ago. Not only has he put the company firmly on the map, he has also ensured the successful growth of its three divisions.

Advanced Capital is a specialist black investment and asset management company that operates in Southern Africa. It actively partners with strong organisations to create long term sustainable value.

The company was created by Knoetze and his business partner, Sindi Mabaso Koyana, who was named one of the country's 20 most powerful business women by the Financial Mail and was a finalist in the 2004 Business Woman of the Year Award.

"We have a common goal to create success. Not only for ourselves, but also for the people around us. Our companies are driven by social responsibility and real empowerment – we have a unique approach towards black economic empowerment and it's working," explains Knoetze.

Prior to launching Advanced Capital Knoetze held the post of group chief executive officer for the Yakani Group, which he joined as chief investment officer in 2007. Prior to that, he held numerous positions as executive director in both the public and private sectors. He was also government's transaction advisor on its ICT interests which were geared to create Arivia.kom, the third largest ICT services provider in South Africa. He integrated and consolidated all of the various entities that made up Arivia.kom, as requested by the Minister of Public Enterprises.

Knoetze also headed up the business integration and merger and acquisition for Gemini, and has advised numerous public and private companies on their business and turnaround strategies and the implementation thereof. He



*Hugo Knoetze, group chief executive officer*

commenced his career in the banking industry and thus has vast experienced in corporate finance. Knoetze also served as non-executive director on the boards of various private, public and state-owned companies and has presented numerous papers on strategy and operations at various conferences.

His greatest personal achievement, besides his son Kyle (9), was when he was recognised as a lifetime member of the Cambridge Who's Who Society this year.

Advanced Capital is home to three divisions namely, the Advanced Group of Companies, Advanced Mineral Resources and the newly established Advanced Resources Trading. The Advanced Group of Companies incorporates Advanced Fire Suspension Technologies, Advanced Fire Fixed Systems, Advanced Engineering and Panel Manufacturers, Na-sera Drilling and Blasting, Lonfin Mining Services,

Bafokeng Hydraulics and Mining Solutions, Advanced Fire Suppression Systems, Kenru Fire and the Mine Safety Training Academy.

"We have created a substantial industrial company, the Advanced Group of Companies, all from a mobile fire suppression business in only ten months," says Knoetze. "We bought six of them, which had very strong existing skills sets, and successfully launched the other two. The group, in total, ensures that we are able to provide a range of services, predominantly to the mining sector," says the proud Knoetze, who has already ensured that the group does business with 90% of the mines in South Africa.

The next 12 months will see the team integrating and consolidating the group of companies, focussing on a strong acquisition drive for Advanced Mineral Resources, and building a sustainable trading business with Advanced Resource Trading.

Advanced Fire Suppression Technologies is the market leader in the installation of vehicle fire suppression systems. It offers ten years of expertise, including the successful completion of various multi million Rand projects throughout the African continent. Full time site representation and 24-hour standby, via its internationally trained technicians, is offered to its clients enabling them to operate at full capacity.

Technical expertise and extensive technical knowledge enables Advanced Fire Suppression Technologies to source and select the best possible products and systems for various mining and industrial applications. "It has a national footprint, with offices close to our clients to ensure effective service," says Knoetze.

Advanced Fire Suppression Systems is a leading distributor for the Ansul products in the North West Province. It has access to the full range of products, supported by Advanced fire Suppression Technologies. "With a 24-hour dedicated service team we guarantee prompt and efficient service to all of our clients," says



Knoetze. “We are also a fully certified SANS 1475 facility and have the capability to maintain large quantities of hand-portable fire extinguishers both on-site and off-site.”

Kenru Fire is a distributor of the Ansul product range for Advanced Fire Suppression Technologies in the Northern Cape. It is focussed on providing a professional service to all of its clients.

The Mine Safety Training Academy provides consultants with training for all commercial, mining and health and safety needs, and the implementation of policies.

Advanced Engineering and panel Manufacturers is an innovative company focussing on the mining and industrial sector in Southern Africa to serve in feasibility studies, design, procurement, the building and installation of plant equipment and general maintenance. It offers a full service of electrical panel design, engineering and fabrication as well as installation complete with project management.

Advanced Fire Fixed Systems provides end-to-end solutions to a wide range of clients. Its turnkey solution offers the design, detection, control and installation of all fixed fire systems including fire and support equipment, foam suppression systems, portable fire fighting equipment, and fire detection and control systems.

Bafokeng Hydraulics and Mining Solutions is one of the few one-stop service companies that offer design, manufacturing and repair services for a comprehensive range of hydraulic products and pneumatic products and systems in the public and private sectors. It serves mainly the mining, petro-chemical and industrial sectors throughout the African continent.

Na-Sera Drilling and Blasting operates in the mining and quarrying industry as drilling and blasting specialists. It offers its clients reliable equipment, high standards of maintenance and availability they can trust. Committed to

creating a safety first culture, the company dedicates its time to achieving the best results for its clients.

Lonfin Mining Services is a specialised mine excavation and contract mining company. Its services include plant hire and material handling for open cast mines, which is headed by experienced, qualified and talented teams who stand for service excellence. Its focus on ongoing skills development and training gives it the competitive edge in the mining industry. This is exemplified by the sound working relationship it has with companies like BHP Billiton and Harmony Gold.

Advanced Capital’s vision is to be the most advanced investment and asset management company in South Africa, that’s building sustainable businesses in both the industrial and the resources sector. “Our investment strategy

“You always feel good when you are able to help someone else”

ensures that we partner with companies in the industrial and mining sectors which offer a significant value add to our business,” says Knoetze. He explains that companies in the industrial sector should have an historical profit margin greater than R10 million per annum for at least five years. “Alternatively, we identify companies with low profit margins, but significant potential to exponentially expand and grow within our portfolio of companies.”

In the mining sector Advanced Capital, which is a Level One broad-based black economic empowerment contributor, predominantly focuses on the exploration of coal, gold and copper.

“Sindi and I are all about doing the right thing! We want to succeed, but we want to make sure that we constantly give back at the same time,” says Knoetze. That’s why Advanced Capital donates 1% of its profit to Oliver House which utilises the funds for computer training, its education centre and children’s care centre, and feeding programme. “When we donate to Oliver House, we know we are making a difference,” he adds.

He spends what little free time he has available watching his son play school rugby which, he says, ‘is more nail biting’ than watching different countries compete. Knoetze also recently purchased his first Harley Davidson and takes to the open road when he can to clear his head. Motivated by the need to succeed Knoetze remains focussed by assisting his employees and the community around him to become successful too. “You always feel good when you are able to help someone else. We all need to create opportunities for the less privileged where we can,” he says.

When safety is the number one priority and meeting clients’ needs is of the utmost importance the Advanced Group of Companies is the logical choice. “Our subsidiaries offer an all-encompassing service, we are active throughout South Africa and the entire African continent, and we pride ourselves on our extensive knowledge and many years experience,” says Knoetze.

This is what enables its effective delivery of services to an impressive client base. “In addition, our impeccable empowerment credentials provide a key competitive advantage as the Group has a 49.5% black ownership,” he adds.

“The key to our success is delivering a service that speaks for itself. A service that says exactly who we are.” ▲

# Payments Association of South Africa

## Ensuring a world-class payment system

**Most citizens of this country make extensive use of the National Payment System on almost a daily basis without even realising it, that's because it generally works so well; its only when something goes wrong that you suddenly become aware of what you've taken for granted.**

The benefits of the payment systems come in many guises – such as when a debit order is triggered on your bank account and the funds transferred to the beneficiary; when you swipe your debit card at a fuel forecourt or when you make a real-time transfer of funds through internet banking.

How is this all achieved so reliably? The answer is the National Payment System – which consists of a system of legal agreements, rules, technology and providers of services which are all inter-related. This is a highly regulated environment which is governed by the National Payment System Act and overseen by the South African Reserve Bank (SARB). To assist the SARB and to organise and manage the participants involved, the Payments Association of South Africa (PASA) was established 15 years ago. Heading PASA is chief executive officer, Walter Volker.

At this stage, PASA has 23 members, which are all banks. Recently, the South African Post Office (SAPO) has applied for membership. It will be the first non-bank institution to join PASA. The SARB has given SAPO a special designation, which has allowed it to become a member.

PASA plays a crucial role in providing a safe and efficient environment in which transactions can take place, for its members and consumers who interact with these members. “It starts with the clear legal framework that we've established, so that there is a solid foundation on which can rest all the rules, processes and

systems,” explains Volker. “The contracts are arranged between the participants, and we further ensure that the business continuity and disaster recovery processes for all the participants are in place.”

In addition to the above, PASA authorises system operators based on very stringent criteria so that they are only licensed to provide payment services to the public if they meet the required criteria. At this stage, PASA has authorised up to 65 system operators and licensed four payment clearing house system operators (i.e. STRATE, Visa, MasterCard and BankservAfrica) that meet the criteria and that make use of the appropriate technology. These are criteria that ensure the systems are sound, reliable, secure and, most importantly, accessible to consumers and is in line with core principles as defined by the Bank for International Settlement in Switzerland.

Trying to create a safe and efficient environment has proven to be challenging at times, as technology has a great influence on the world in which we live. On this subject, Volker says: “We live in a very dynamic environment: there's constant innovation, change and some of the old payment systems like cheques are not as safe and efficient as the new payment systems would be.

“You can imagine that when we started PASA, Internet and mobile payments were not the normal part of our everyday life; some technology was not yet that mature.

“The constant change of technology, market demands and innovations have been the one part of the challenge,” he adds.

Fraudsters are another challenge that Volker points out: they have become more sophisticated, clever, technology-savvy and often part of global syndicates. PASA always has to stay one step ahead of them by ensuring its systems are reliable, safe and secure. Through the assistance of its members, PASA has been able to work through the challenges of reliability and safety.

These challenges in no way have hindered the Association from achieving its objectives and mandate.

“Some of our objectives include ensuring what we call interoperability of systems: the interoperability ensures our various member systems can speak to each other. So if you were with bank A and you wish to do a transaction at a merchant, for example, with bank B, the systems can talk to each other and the transaction happens seamlessly. We get the benefit of network effects and economies of scale efficiencies, which we've achieved through the establishment of the payment clearing houses,” explains Volker.

“One of our other objectives is greater accessibility. We ensure that not just the banks are licensed, but non-banks are allowed – under certain criteria – to provide these kinds of services. We have very clear objectives, which we make sure our members adhere to, and we encourage them to follow because they make sense for both their businesses and for a great experience for customers as well,” says Volker.

What leadership style does he employ to ensure everything runs smoothly on a daily basis?

Leadership involves the ability to create the right structures and environment to enable a free flow of ideas by participants in the system – ideas which will lead to new innovations, better rules, more effective systems, better service to the users and so on.

It involves thought leadership; that is knowing your subject and being able to stimulate new ideas, communicate complex concepts effectively, motivate and influence where necessary. It means the ability to guide in the direction of what is best for the greater good, rather than just the commercial benefit of one or two players.

The perspective is that of what is best for South Africa INC. If this country has a world class payment system, we can enable the free



flow of trade and commerce – both internally and with global trading partners – so much more effectively.

It also implies greater inclusion; that is, developing payment systems that enable an ever increasing portion of our population to enjoy the benefits, security and safety of an electronic means of payment, rather than always relying on cash.

Leadership also entails the empowering of PASA staff, who are all experts in their own right, to play the facilitating and enabling role that they should.

What can we expect from the PASA? “In the card world, you’re going to see more use of chip technology, so we’re going to have more microchips on the cards,” says Volker.

“The other exciting development in the realm of cards is contactless chips: the card is not necessarily inserted into the terminal, but can get close to the terminal and the transaction can take place.

“The introduction of card technology with mobile payments technology is going to become an increasing reality – you’ll find some consumers using this more than the card. The chip would be embedded in the cell phone, for example,” he explains.

“Innovation in mobile payments is also going to be speeded up, as well as the real-time nature of payments; more and more payments are going to be immediate rather than seeing the payment go through the next day or so.”

In closing, Volker says: “It’s so important for South Africa to have a well working, efficient, innovative, accessible and sound payment system because the payment system is probably the oil of the economy. It is difficult to imagine how any modern economy would function without the ability to make payments efficiently. So if the payment system doesn’t work, it really negatively affects the whole of industry and commerce in the country. Hence the importance of a world-class payment system.

“Our end objective is to ensure South Africa has one of the best payment systems in the world; so we can transact as quickly, safely and cost effectively with each other, and with our trading partners in the global community.”



Walter Volker  
Chief executive officer

# Pick n Pay

## The ultimate one-stop shop

**S**tarting out at the tender age of 16 years in the world of retail as a till packer, Bronwen Rohland worked her way to becoming the head of Marketing and Sustainability at one of South Africa's largest retailers – Pick n Pay (PnP).

Her experience in the retail industry began with a part-time job, making extra pocket money while at school. She grew in the business and became a frontline supervisor, which was the means by which she was able to pay for the degree she completed at the University of Cape Town (UCT).

“It is true to say I really started at the rock face, and developed a deep understanding of retail and customer service from a young age,” says Rohland.

In 1985, after graduating from UCT, she joined Woolworths as a trainee manager, which afforded her tremendous experience.

In February 1986, Rohland was approached by PnP with a very favourable offer to join the company. Her journey with one of the largest retailers in South Africa started with her becoming one of the first female trainee managers in the company.

Being a woman, particularly a woman at the top of a large company, comes with many challenges. “The greatest challenge for me has been creating a balance between home and work life. Retail is a very demanding environment for women in senior positions: long hours of work, which include weekends at times due to the service nature of the industry – as well as often feeling the extra pressure to constantly prove and validate one’s position as a senior executive, thus putting extra pressure on yourself to deliver more,” says Rohland.

“In addition, one needs to be prepared for all types of business eventualities and discussions



*Bronwen Rohland, head of Marketing & Sustainability*

that may not come about naturally, and being able to contribute at appropriate levels.”

She feels that this is a positive challenge to keep up to date on current trends and future issues, this enables her to engage on all issues and at all levels.

Rohland feels that she can give her best by leading from the front and setting high standards for staff members, which includes setting examples on work ethic so that one establishes a professional image of someone who is both competent and respected in the business arena.

Being a positive role model for other women is as important; one should not allow oneself to be a pushover, and should rather take a stand on issues even if one is the only voice on the board.

On the subject of women and their empowerment in the workplace, Rohland feels that

women do bring different dimensions to company leadership, but being male or female should not be an issue.

She is of the opinion that every good leader needs drive, ambition and self-belief in abundance. Pick n Pay encourages self-development and women are respected; they are offered opportunities and promoted on merit, and play a very influential role in the running of the business. “I have been given tremendous opportunities in PnP and have, over the years, taken up leadership roles in a number of large-scale change programmes,” Rohland informs.

One of the programmes was the R500-million SAP implementation in 2004. Rohland was appointed to lead and manage this programme, as well as bring the company’s supply chain strategy to fruition. The company now has fully integrated information systems across the business with improved in-store disciplines, more efficient business processes and more timely information – enabling better and faster decision-making. These changes did not occur overnight, but Pick n Pay is already reaping the benefits of this process, which was an enormous challenge.

Rohland led the launch and implementation of the PnP smart shopper loyalty programme in March this year – the first loyalty scheme for a major grocery retailer in South Africa. “We have had an overwhelming response to our smart shopper loyalty programme so far. After only three months, we already exceeded our goal of three million signed up customers in the first calendar year,” she says.

“The planning was done under very tight timelines, with stringent confidentiality arrangements (suppliers and the project staff members) and with an international implementation partner.”

As mentioned, PnP values self-development and respect for women; it promotes from within suitably skilled and qualified candidates, male

or female, and is giving each the recognition he/she deserves.

“I do believe Pick n Play is making significant inroads with respect to promoting women in business, which is considered an integral part of sound business management,” states Rohland.

When asked whether she has had any influence in changing policies with regard to women in the business, she comments: “The greatest influence you can have is proving yourself and trying to set an example for other women to look up to, so that they, too, know they can succeed if they put their minds to it.”

The retail world is competitive; and with the announcement of Walmart setting up shop in South Africa, it is going to take some innovative and unique marketing strategies to retain their customers.

As the marketing director, Rohland will first look at changing the marketing strategy to be more customer-focused, with better communication and using different channels and mediums to engage customers in a meaningful and relevant way. She has recognised that this is a much-needed change because the face of the South African retail landscape is changing.

“Fortunately, we have already been working incredibly hard to make PnP consistently the South African consumer’s first choice. We are reaffirming our position as the ultimate ‘one-stop shop’, with a wide range of value-added services on offer, in addition to our traditional retail offering,” she says.

These services include paying for one’s South African Airways bookings, money transfer solutions, buying the Lotto at every till and having access to Berco Express courier services. The retailer has personalised the PnP experience by offering personalised discount vouchers and special offers to customers through the smart shopper programme.

Online shopping is another important value-added service for PnP customers, and the company is continuing to focus on developing its online business in response to the growing

demand it has experienced. It has found that online customers still come to the store for top-up purchases – supporting the need for a multi-channel strategy.

“Since our founding, Pick n Play’s reputation is what distinguishes us from many competitors; it has been shaped by the values that underpin the company’s relationships with its customers and its suppliers, rather than looking for short-term gain of every transaction,” says Rohland. “We believe that keeping those values has led to exceptional public trust in our business behaviour and underpins our commitment to consumer sovereignty.”

The company has built a sustainable and strong customer base in South Africa and, in recent years, has gained considerable experience in the Southern African Development Community region. The countries where operations have been established are Namibia, Botswana, Swaziland, Lesotho, Zambia, Mozambique (PnP has recently opened a store here), and soon it will venture into Mauritius.

“We are set to continue along this expansion path in a planned and deliberate way,” says Rohland. “Doing business in Africa does have its challenges, particularly in the integrity of the supply chain, but its rewards are no less considerable. Finding local suppliers and entrepreneurs requires determination and effort, but it is absolutely instrumental to our model.

“It is our intention to ensure that local farmers and suppliers are supported to stimulate and assist economic growth in the countries we operate in.

“We are mindful of the sizeable number of consumers moving up the income pyramid, which advances the emergence of a critically important middle class. We agree that the African consumer’s swift rise in spending power is imminent; and to keep ahead of the curve, we have already made significant inroads in our approach and level of investment,” she adds.

Having noticed the rise in spending and change in customer demographics, would PnP

strategy include plans to attract and secure top-end customers? Rohland explains how the retailer has gone about this issue:

“Top-end customers are already PnP customers; the proportion of PnP customers in living standards measure (LSM) levels eight to 10 constitutes the company’s heartland customer base.”

The challenge for the company, however, has been getting consumers to spend a greater proportion of their monthly salary at PnP, which has meant a very close look at its offerings and third-party services as well.

“LSM eight to 10s are incredibly eco-conscious, and for this reason we offer an extensive range of organic produce and wines. Furthermore, our fish products are endorsed by the South African Sustainable Seafood Initiative, and we also stock badger-friendly honey and predator-friendly lamb in certain regions,” notes Rohland.

“Last year, we opened our flagship store PnP on Nicol, which is a truly world-class destination. The store was built on green design principles and operated according to international best practice on sustainability. Customer reaction has been overwhelmingly positive, and we are looking to roll out the most successful innovations to selected stores. This store appeals to all, but notably attracts shoppers from the very high LSM levels.”

The retailer has witnessed increased popularity in business-to-business transactions. As far as trends go, it has found that customers who order similar items every month sometimes respond very well to specials and experiment with new products, including general merchandise.

Pick n Play has demonstrated that it works hard to ensure customers across all income groups are catered for, and believes it is still able to exceed expectations by offering consistent value for money and quality products, while caring for the environment and paving the way toward sustainable living. ▲

*Tamara Toti*

# The Effectiveness Company

## Making things happen for clients

**The Effectiveness Company, a specialist in business transformation outsourcing, that delivers sustainable, operational performance improvement and optimisation to its customers through an outsourcing and insourcing execution model, has celebrated 14 years of success.**

“Simply put, we make it happen for our clients,” says Suzanne Ravenall, the company’s founder and group chief executive officer.

This is not surprising, as Ravenall is an exceptional leader. While her business has excelled since its inception, she has also proven her worth time and again by being nominated and featuring in Top Women (2009-2010); nominated and featuring in Leading Managers of South Africa (2003-2008); obtaining an Honouree award for Top Women Entrepreneurs in World (2007); nominated for the National Business Leader Award (2006); nominated for Ernst & Young’s Entrepreneur of the Year (2005), and becoming an African Investor Award finalist in the same year.

In 2004, she was a finalist in Nedbank’s Business Woman of the Year and an African Investor runner-up.

“This recognition has been achieved because of what our people at The Effectiveness Company deliver. It is what they choose to deliver to our customers, and to each other, that makes us who we are as a company. It starts with what we all agree on as our vision, mission and values – all of which were created by our people,” she says.

The company was born when business leaders began to look outward at the global business community and at new opportunities when the South African marketplace opened up to everyone for the first time in 30 years. Already, within our country, outsourcing IT, non-core services and general business process outsourcing/insourcing had established roots.

“We identified a significant operational gap emerging globally. There were too few skilled people capable of implementing operations at the speed at which companies and industries were growing,” Ravenall explains.

This gap forced leaders to review different and innovative ways of operating, particularly in terms of forming strategic alliances and partnerships with companies capable of assisting in business expansion and operations management. “Innovative communication and trading platforms, such as the Internet, emerged which further exposed a company’s ability to execute operations successfully.”

In response, The Effectiveness Company set about providing performance improvement services within the business transformation outsourcing space, through various outsourcing and insourcing models. It has been consistently rewarded by both current and new customers, and recognised locally and internationally.

In 2011, it was nominated and featured in Best Companies to Work For category (an award also bestowed on it from 2003 to 2008), and was recognised as one of South Africa’s Top Companies in 2010. In 2009, the company was recognised as the Top Business Support Services Company in the Best Companies to Work For category and placed in the Top 300 Performing Companies list. It was also voted One of the Most Promising Companies from 2003 to 2007.

“We aim to become a global leader in the delivery of world-class, operational implementation using total quality management processes to deliver predictable outcomes,” says Ravenall. Its mission is to provide dynamic and innovative outsourcing and insourcing services, which enable its customers to excel in their operational effectiveness. At the same time, it aims to enrich lives and have fun.

“The company’s outsourcing and insourcing services include labour management and training, and coaching,” says Ravenall, who recently completed a degree in Metaphysics

and is a healing practitioner. The company operates in numerous arenas including customer relationship management, human resource management, back office management, supply chain management, enterprise asset management, and contract management. It also provides licences for its services internationally, and multimedia products for outsourcing and insourcing operations. It also provides consulting and business process engineering, as well as management consulting, business analysis and business process re-engineering.

The rapid acquisition of lasting personal skills and learning acquisition is a key challenge facing all organisations.

“Training alone cannot ensure competence. It simply comes down to changing a person’s behavioural patterns as what people do and don’t do to make the acquisition of each new skill a reality,” says Ravenall. She explains that one way to think about the role of behaviour in an organisation is to consider three interlocked factors for an enterprise’s success – strategy, process and behaviour.

Strategy sets the direction of where the enterprise is going and why; work processes organise the work toward strategic objectives; and behaviour is the enabler of both strategy and process. “It is people’s behaviour, what they say and do, that is either aligned or misaligned with strategy and process,” she says.

According to Ravenall, unleashing the full power of an organisation starts with the individual. With behavioural-based coaching, the individual can be shown how to self-manage and significantly upgrade his or her personal and professional skill sets, feel balanced, alert, in control and powerful and be able to make the greatest contribution to the organisation.

The empowered individual acts, not reacts; he or she thinks creatively, works well under pressure, makes good decisions as well as communicates clearly.

“Leadership qualities also emerge, and when an organisation’s people move into a zone of optimum sustainable best performance, so too does the organisation,” she says.

### Servicing SMMEs

Small, medium and micro enterprises (SMMEs) are making a gigantic impact on our economy, accounting for over 60% of businesses within the greater Gauteng region, the hub of South Africa’s economy.

“SMMEs are vital for sustainable development in our country. The government’s focus on SMME empowerment and the resulting stimulation of small and medium enterprise has realised substantial focus on this market sector to lead South Africa into a new era of growth and the sustainability of an upward trend,” says Ravenall.

The Effectiveness Company has made a strategic decision to provide some of its service offerings and predicable outcomes® to the SMME market, to assist these entrepreneurs to grow their ventures within the critical non-core business areas such as performance management, recruitment, industrial relations, human resources (HR) administration and payroll management.

“We provide cost-effective and specialised HR services, ensuring a harmonious working environment where employees are highly motivated and productive,” says Ravenall. “By using our company as the single operational implementation specialist focused on delivery of compliance, people and processes, the SMME derives benefit from the value associated with having all services available under one roof, and access to the generic and scalable best practice toolkit.”

The company has actively involved itself in the positive transformation of South Africa’s realities, particularly through various social, community and health programmes. Its involvement in corporate social investment (CSI) stems from an understanding that many South Africans fall outside of the normal prosperity of the corporate world. “We are fully aware that the success in communities today will be the success of business tomorrow, and that prosperity of business and society as a whole is intricately interlinked. We are also aware that wealth is not merely an issue of material possessions, but comes through a combination of the environment, opportunities and choice,” she says.

CSI in its most fundamental form is about being a responsible corporate citizen that contributes to the reconstruction and development of the country and to the building of relationships between communities, government and business.

The Effectiveness Company has launched numerous CSI initiatives to assist in the upliftment and empowerment of people throughout South Africa. This strategy is specifically focussed on historically disadvantaged communities to ensure continued concrete results and success with its outcomes. Its strategy is to invest a specific budget, every year, in quality projects that focus on infrastructure development, education and training, personal development and HIV/Aids.

There are many organisations and individuals who positively contribute to assisting and developing South Africa’s community.

“We encourage all of our staff members to make the time to go out and make a positive difference in their community. We support such endeavours and have committed to giving each and every employee a full working day to do this,” says Ravenall.

The boardroom is often a place where brilliant ideas are discussed, thrashed out and finalised. Everyone leaves the room feeling like they



*Suzanne Ravenall, the company’s founder and group CEO*

are about to bring about a revolution in the organisation. Unfortunately, somewhere between planning and the implementation, it all goes wrong. The Effectiveness Company has thus conceptualised The Execution Box, a valuable mine of information, toolkits and technology provided through a single interface in the form of a social website – The eBox Community.

“The eBox Community is destined to be the one and only stop a person needs to explore and find the answers, all detailed in step-by-step, ‘how to’ processes which, if followed to the letter, will not only answer questions, but will also provide the knowledge required to implement success,” Ravenall explains.

Ravenall has certainly come a long way since her first job as a personal assistant in a travel agency in the United Kingdom at age 16. “I don’t see obstacles as challenges, they are just something that are there and have to be dealt with. Whether you go straight up through the glass ceiling or find another way around to meet your objective, you will get there in the end. Running a business takes perseverance and diligence – don’t ever give up,” she says. ▲

# Zululand District Municipality

Mayor kaMagwaza-Msibi has a passion for the job

**Z**anele kaMagwaza-Msibi has been the mayor of the Zululand District Municipality (ZDM) for 13 years; her tenure began in 1998 when she was elected chairperson of the District. This period of office has been littered with challenges and proud moments alike. “Challenges are challenges – they will always be there, but I enjoy being mayor because I love working with people,” she comments.

Mayor kaMagwaza-Msibi's political journey has been filled with vibrant learning experiences. It began in 1995 when she was first elected councillor as part of the executive of Nongoma Local Municipality – at this time, she was the only woman in the executive.

During the municipal elections of 1996, she was elected ward councillor in Ulundi, which is part of the Zululand District. “At that time, we were not called Zululand District Municipality – all district municipalities were called regional councils. Our regional council was divided into three and I was the chairperson of a sub-region. In 1996 and 1997, I was elected deputy chairperson, which at that time was equivalent to today's deputy mayor,” KaMagwaza-Msibi explains.

In 2000, when the period of transition came to an end, regional councils were changed to district municipalities. It was at this time that she was officially voted into office as the first mayor of the Zululand District.

A mayor's job is never easy: it has been a challenging road, particularly for a district such as Zululand, which is made up of rural areas – the geographic structure of the areas do not make it easy to roll out development. Despite these challenges, Mayor KaMagwaza-Msibi ensures the people of these areas are properly served and receive the services they require.

She believes that the people who have the greatest power to ensure the masses are



*Mayor Zanele kaMagwaza-Msibi*

properly served and serviced are the councillors who have been elected into office through the belief that the masses have in their ability to serve them. She further believes that, “To be a councillor is not something that I enjoy because I'm being respected in the community, but I think it is something that I was born to do. That is why serving the people to me is my priority more than what comes to me as a person.”

The councillors of Zululand have taken the decision to go into the communities and find out what their priority needs are. “We will go to the communities and speak to the municipality to prioritise all the needs of their local municipality, or from each ward so that councillors will be able to deliver to communities,” says the mayor.

To further enhance these efforts, a meeting will be called with all councillors to inform the communities about that which has been done to date, and to inform them about things that have

not been done and the reasons behind delays. KaMagwaza-Msibi believes that if people are properly informed all the time, and know of projects that are there for them, they will be more willing to support their councillors.

In the past years, the municipality has proven that communicating with the people decreases levels of unhappiness, as they are aware of what is taking place in their local government.

“Since the establishment of this municipality, we have never had people complaining about the services that we have rendered to them, or the services that are not rendered to them. Councillors have been committed to serving the people and doing their jobs with dedication,” says the mayor.

The ZDM and its wards in the province of KwaZulu-Natal have been acknowledged by the national Department of Local Government as the number-one municipality with regard to the level of service delivery and the work being done. This acknowledgment is a feather in the cap of the district.

One sector in the district that continues growing and attracting people from far and wide is the tourism sector – it remains the pillar of economic development in Zululand.

The District remains different from other municipalities because it is the only place in the country where the King of the Zulus resides; he has settled in one place for more than 40 years. Most tourists visit the area in order to see the king and to attend the cultural functions that take place there each year. “That on its own is giving us a much more broader acceptance by the people and those who visit the area,” notes KaMagwaza-Msibi.

In addition, a state-of-the-art centre has been built at eMakhosini where all the cultural events are held, and where ancient artefacts are kept. One is able to visit the centre and learn about the history of the Zulu nation. It is the burial site of about seven amakhosi (traditional kings).



“There are many things happening in Zululand, but also the nature, the culture of Zululand makes us an attractive destination to people who want to come and experience it,” says the mayor.

A great achievement for the district was the 2009 Unique African Dream Award received in Switzerland for the uniqueness of the cultural experience offered to tourists when visiting the area.

To grow the agricultural sector and ensure it is sustainable enough to benefit the people, the ZDM, which is part of a traditional hierarchy, has been working with the amakhosi across the area, and has been able to distribute more than 80 tractors, which now belong to the communities.

“The hope is that communities will be encouraged to get their people to till the land so that they are able to put food on their tables,” says kaMagwaza-Msibi. “Furthermore, a new process has been started, whereby people are

took them to Spain to be trained: they were taught skills that would create sustainable goat farming. These farmers are now helping other communities from where they hail,” shares the mayor.

An area in which the ZDM aims to promote growth through investment is the industrial and commercial sector.

“The district has been mostly dependent on government grants. I think it is not wise to sit and wait for the government to give you money, but it is important that you go and look for people who are willing to work together with you as a municipality, especially in terms of economic development of the area,” says kaMagwaza-Msibi.

The ZDM has collaborated with many businesspeople around KwaZulu-Natal as well as nationally and internationally, and has been able to access funding through partnerships with other countries such as Spain, the Netherlands and Switzerland. It is working with these

aside on a regular basis for widows and orphans in each ward,” says kaMagwaza-Msibi.

Another huge concern for many municipalities around South Africa has been the high unemployment rate. To help deal with this, the ZDM has decided to employ 10 young people from each ward – 890 young people have thus far been employed to do a survey in each ward, which focuses on various areas such as how many families there are, how many fathers or mothers have passed on, etc.

“We want to be able to help those people with grants because if we don’t come in and assist, such families will be unable to get a grant from government,” the mayor explains.

The municipality has built an arts and crafts centre in Nongma in an attempt to upskill youth, and trains young people in various art forms. The training lasts about six months, and is free – the money to keep the centre operating is sponsored by the ZDM.

The ZDM has already gone to great lengths to assist the families and communities of the area. kaMagwaza-Msibi shares some of the other successes: “Building our own offices from scratch was one of the proudest moments for me. When I look at this office, it’s beautiful, I always feel very proud.

“The other is that we have been receiving unqualified audit reports from the auditors.”

Changing people’s lives for the better through the work that she and her team have done gladdens the mayor’s heart because she knows they have given their best to the communities of ZDM – and will continue to do so.

Through the humble leadership of Mayor kaMagwaza-Msibi, the love that she has for her job and for her people is spreading throughout the ZDM. Always making sure she respects those with whom and for whom she works, has enabled her to enjoy a fruitful tenure thus far. ▲

*Tamara Toti*

## She believes that the people who have the greatest power to ensure the masses are properly served and serviced are the councillors

encouraged to do things for themselves and it is working quite well.”

People to help in economic development, and with the teaching of citizens about the different types of soil and produce have been employed in all wards.

The ZDM has formed a partnership with Spain to learn about goat farming. This project is currently being implemented in Ulundi, and the people there have already been trained. “We

partner countries to try and improve the lives of the ordinary people in Zululand. Currently, the ZDM is the only municipality that has a budget for wards. Zululand has 89 wards, each of which has projects that are being implemented. Each community or ward will be able to identify its own project.

“We put aside almost R5 million for those smaller projects that are helping the communities to be able to get food, and money has been set

# Accountants @ Law

## Unearthing the truth

**I**n work ethic and execution, Allan Greyling, the managing director of Accountants @ Law (Pty) Ltd (A@L), resembles the legendary and beloved homicide detective Columbo of the eponymous television series.

There is no physical similarity: Greyling is immaculately groomed and stylish. Columbo's unprepossessing appearance and apparent absentmindedness were sometimes a distraction and assurance for his unsuspecting interviewees.

But Greyling and Columbo, unlikely as it seems on face value, do have something in common: Both are shrewd, with a formidable eye for detail; and both solve their cases, due to their meticulous and dedicated approach (although, to be true, A@L does not involve itself with criminal work).

Under Greyling's inspired leadership, A@L has established itself as South Africa's leading independent, niche forensic accountants and litigation support specialists.

### The high road to A@L

A chartered accountant for over 34 years, Greyling has managed several high-profile companies in the financial services space during this period.

He, with John Louw, then a senior partner at KPMG (who later was appointed curator of African Bank and Saambou) was co-founder and subsequently a partner of the KPMG forensic accounting practice in South Africa. During this time, the practice grew to more than 140 employees and is considered the pre-eminent forensic accounting practice in the country.

The forensic accounting practice of KPMG SA was founded after Greyling and Louw's experience investigating the collapse of Tollgate Holdings. Louw, a chartered accountant at KPMG, approached Greyling to assist as a consultant to investigate the collapse.

"We started the forensic accounting business unit, the first of its kind in South Africa. John was a strategic man, and KPMG is a wonderful brand with a dedicated client base," says Greyling. "I did not really want to manage people, I preferred to do the investigative work."

### The nature of A@L's work

"John and I brought in another colleague, Petrus Marais, as managing partner. Today, Marais is head of KPMG Forensic International," he says.

Greyling continues: "My forte was managing the assignments, my passion satisfying the client and the challenge of understanding and providing a solution for them. I don't do criminal work. My passion is solving clients' needs. My business has emerged out of that requirement.

"There are three spheres of investigative work, A@L focuses on: one is pure investigative accounting such as the collapse of Tollgate Holdings, Macmed, LeisureNet and Namco and due diligences. Secondly, there is expert witness work. You need an accounting expert to deal with certain business issues to assist the Court. Finally, there is quantification of damages and valuations of businesses and estates," he explains.

Greyling currently has a client who bought a business from a person, but now there is a dispute about the value of the business sold. And it is a R500-million claim. Certain warranties were purportedly made about the type of business, size and profitability. The claim entails interpretation of business performance, accounting matters and financial statements. Arising from that, financial damages are claimed and A@L's task is to assist the client to quantify the damages independently and provide expert evidence in Court.

In addition, Greyling undertakes divorce work: usually on behalf of the soon to be ex-wives whose wealthy husbands tuck away the assets. He is left to determine what the real assets are.

"In the legal process, you have an obligation to discover documents. You have to disclose

documents that you believe are relevant for a matter," he notes. "Recently, I was involved with assisting the wife of a high-profile Capetonian, who used every conceivable trick in the book and sent us financial records that were years old. He moved assets to a foreign jurisdiction, and I had to employ a professional and a private investigator to determine what properties he had attempted to disguise in nominees names."

### The love of mental chess

Referring to the above-named client of Greyling who was sued for R500m, he independently researched comparable listed companies' data that closely matched the business in dispute and compared audited financial statement ratios to the claim against his client. He determined that his client's financial obligation was most probably zero.

"This is mental chess, and I love every moment of it. I have done this for 20 years: it is my passion, my hobby and I never get tired of doing it," says the enthusiastic Greyling.

### Excellence and the quest for zero defect

But why did he leave KPMG, a South African empire, when he was at the peak of his career, and had played a pivotal role in growing the business to a staff component of 140 employees? Greyling says: "I suppose we all want to control our own destiny."

The main factor was that he did not want to manage people. He wanted to focus on the clients' needs. "My forte is to deliver passionate service to my clients, but the problem with big corporates is that it is difficult to do that as you grow," Greyling says. "Forensic accounting is not like auditing where you can use a staff pyramid structure and assign many people to the job.

You cannot control the outcome and check the quality of work all the time. "In forensic investigations, I have changed the manner in which I approach these assignments," he says.

“I purposefully kept the business small. I have 10 employees. We use intellectual capital and throw it at a task, instead of people, because of the nature of the work we do. This is very often complex work, highly pressurised and time-sensitive because of the rigours of Court; we have to be meticulous and careful.”

Quality and attention to detail in every assignment is pivotal and fundamental. Therefore, Greyling uses a vast range of independent experts where appropriate to assist him, rather than employ them in-house. He uses independent actuaries, statisticians, marketing professionals, industry experts and handwriting experts – where necessary to fulfil the objectives of quality with every assignment.

### Service excellence is the key

Greyling was particularly privileged because of the KPMG brand, its size and name and its pre-eminent position as market leader, to be assigned to high-profile cases in South Africa.

During the eight years at KPMG, he worked with a wide range of experts, lawyers, advocates and insolvency practitioners, and the excellence of his work convinced them to approach him and his new colleagues after he founded A@L in 2000.

“The *raison d’etre* (the reason for our existence) is our client service. If we do not provide client service, we cease to exist. Our business is forensically based,” notes Greyling.

“The test is the highest Court in the land. I always drum it into my team that you should never think you are clever. Acknowledge that the adversaries employ far cleverer people, and independent experts will pour over your findings, test them, check them and show up your failings.

“The trick is to be as careful and accurate as possible. You must be passionate about what you do and do it properly and diligently. Be meticulous,” he says.

You have to meet very high requirements. The nature of the business is very exacting and stressful, he adds.



*Allan Greyling with Lisa Esterhyse, a colleague*

### Why use forensic accountants and A@L?

Remarkably, Greyling and his dedicated team of 10 have seldom failed.

Some would say his inquisitive mind and passion contribute to the success of the firm. Since childhood, on a farm near Bethlehem, Greyling has devoured thrillers and detective novels.

The English author John Creasey appealed to him in life: Greyling has an ability to unravel difficult forensic accounting plots and delivering exemplary service to clients. This is a defining quality of his record as owner and CEO of A@L.

Greyling admits that because of his professional background, he is extremely sceptical. He does not believe what people tell him – he verifies it. It is a vital quality for a forensic accountant.

Due diligence is part of investigative accounting. A@L does much work for banks and investment houses to convince them that before they lend or invest funds, they should involve A@L as an independent expert to conduct a pre-lending or investment due diligence.

“I often have clients who have bought businesses and paid large purchase prices. I tell them: ‘Let the seller tell you about the blue skies. Let me look at the thunderclouds.’”

A@L does not deal with criminal cases, but has been particularly successful in exposing

so-called snakes in suits, or chief executives who do underhand deals.

Once, Greyling was approached by a large listed company in South Africa about alleged fraud and corruption. He exposed a CEO who had secured international contracts for the company and then ‘repaid’ himself with kickbacks of R30m.

He traced the money, and with international legal assistance recovered all of it for the company. Afterward, the CEO explained to the judge that because of the risky nature of his endeavours to secure deals for his company, he felt he deserved the kickbacks. The judge was singularly unimpressed, and Greyling had exposed another snake in a suit.

Cecil John Rhodes once remarked that everyone has his price. Differently stated, almost everyone could be corruptible. In Greyling’s profession, this adage has been put to the test.

He has been privileged to investigate some of the largest corporate collapses in South Africa. He has been fortunate to work with some of the leading legal teams in recent South African memory and he has been fortunate to be in the winning corner on many occasions. There have also been disappointments, however.

Tollgate Holdings, which collapsed in 1992 with 150 subsidiaries, was investigated by Greyling and his team. He assisted the liquidators and their legal team to achieve extensive recoveries from their corporate controllers’. In 1999, 15 banks collectively lent R1 billion to Macmed. One particular bank mandated Greyling to investigate whether another R75m should be lent to the client. He assigned 10 chartered accountants to the assignment. After a month, they convinced the banks they should liquidate the Group due to wholesale fraud and an unsustainable business.

At the heart of these successes is a simple maxim: independent corroborative evidence obtained by rigorous diligent persistence and professional scepticism. This comes at a price: forensic accounting investigations are not cheap if they are to be thorough and achieve their objective. ▲

# Mangaung Metropolitan Municipality

## A fresh start for the metro

**T**habo Manyoni, the newly elected Executive Mayor of Mangaung Metropolitan Municipality, says the new status brings an opportunity to reinvent the municipality by taking what is best from the past and merging it with the new opportunities that the 21st century unveils.

The year 2011 has been one of the most remarkable in the history of local governance in the entire province of the Free State. It marks the first year of the first Metropolitan Council in the province.

From the onset, it is imperative to take note that the municipality has been elevated from a category B to category A municipality since the 2011 local government elections. In the past year, after robust engagements with other spheres of government, Mangaung adopted its own Municipal Turnaround Strategy – a matter sufficiently captured in last year's budget speech.

The five objectives it set toward a realisation of a responsive, accountable, effective and efficient municipal system, require the involvement of many others – civil society and business.

Regarding the implementation of the Turnaround Strategy, the following are some of the issues that will be given high priority this year:

- Strengthening ward committees' capacity and implementing a new ward committee model;
- Upgrading the intergovernmental agreement on informal settlement, including alignment of the Municipal Infrastructure Grant and housing subsidy grants;
- Reviewing and rearranging capacity grants; and
- Reviewing ageing and overloaded infrastructure e.g. sewage plants, reservoirs and water pipes.

Now, beyond the fourth local government elections, Mangaung is determined to build



*Councillor Thabo Manyoni, Executive Mayor*

on the foundation laid in the past electoral terms. Most significantly, it endeavours to enhance its institutional capacity and community involvement toward building better communities. It will do so in accordance with the five national priorities: creating decent work and sustainable livelihoods; education; health; rural development and agrarian reform; and the fight against crime and corruption.

Mangaung believes that working with civil society, it can attain good local governance characterised by accountability, responsibility, openness and transparency.

The establishment of the metropolitan will certainly dispel ambiguities and confusion that were evident in the working relations between

the former Mangaung Local Municipality and the upper tier district municipality of Motheo.

This development confers exclusive authority to Mangaung with regard to all local government matters such as building regulations, local tourism, municipal airports, municipal parks and recreation, health services, public transport, cemeteries, water and sanitation and general municipal planning.

The municipality needs to put more emphasis on financial viability and accelerated services, as these are the key features of developmental local government. Hence, it seeks further review of the current framework on financial recovery plan as adopted last year. It needs a plan that will restore financial stability based on sound financial management principles and governance thereof.

Certainly, these objectives shall not be realised at the wink of an eye, but Mangaung is determined to find a long-term solution to the current worrying financial state of the municipality. By 2014, it is destined to be counted among the municipalities that shall have achieved clean audits.

Notwithstanding the challenges ahead, one can evidently see measurable signs of change across Mangaung. Rapid increase in the population has had its unintended effects. It has put more pressure on infrastructural services such as housing, water, sanitation, electricity and roads. Nevertheless, the municipality has responded relatively well to these challenges, given the limited resources – financial, physical and human. Mangaung is still a small and medium business municipality: job creation opportunities and growth will mainly come from small, medium and micro enterprises (SMMEs).

SMMEs have played a significant role in creating jobs. Through Mangaung's engagement with communities, the municipality knows that access to job opportunities tops the list of its aspirations. Fortunately, the municipality has a reasonable size of farmlands, totalling 30% of its land mass.

The availability of land offers Mangaung the ideal opportunity to meet the aspirations of its communities. With the fiscal challenges it is facing, reinvesting an integrated sustainable human settlements and infrastructure in the municipality is a most viable option to address expanding development challenges facing Mangaung.

Creating areas of density is the best way to improve public safety, deliver better services and offer the quality of public amenities such as recreational facilities, parks and cemeteries that citizens want and deserve.

Currently, the municipality is working on an urban settlement development grant (USDG) plan – one that is guided by the pressing developmental situation in Mangaung. The first draft has been submitted to the National Treasury and Department of Human Settlements; the municipality will open the floor for further discussions on this plan.

The continued presence as well as growth of informal settlements in Mangaung poses a serious challenge on its institutional capacity to make provision for future housing planning. This matter deserves to be given primacy for purposes of ensuring locations of all settlements within Mangaung’s jurisdiction to its Integrated Development Plan and Spatial Development Framework. Indeed, the rise of informal settlements is a national issue, but the municipality is elected to provide leadership – and it will lead decisively.

Henceforth, Mangaung has further issued clear marching orders to the administration to ensure it addresses compliance issues that have put it in violation of the Municipal Finance Management Act, MSA and other legislative prescripts and thus a disclaimer audit opinions in recent years.

Once again, the municipality wishes to reaffirm its commitment to Operation Clean Audit 2014. Earlier this year, it managed to identify some deficiencies within its system which include, among others, poor internal control

measures, inherent and residual risk, and non-compliance.

Given the developed internal control procedures, systems and controls to mitigate the deficiencies identified, Mangaung is committed to produce a clean audit by 2013, a year before national target on Clean Audit by 2014.

The design and development of systems and controls will ensure non-recurrence of the issues from prior periods. It hopes that all these issues that had caused the qualified audit reports would not recur.

In comparison with other seven metropolitan municipalities, Mangaung comes out the cheapest in the total basket of proposed tariff increases.

It is striving very hard to improve its financial efficiency. It is, in particular, working hard around debt collection and proper accounting practices. It has raised substantially its rate of debt collection while strengthening the accountability aspects thereof. It has to put together proper accounting mechanisms in the form of an Audit Committee and a revamped Internal Audit unit, which boasts no less than 10 suitably qualified internal auditors. It is working around the clock to improve the audit opinion by the Auditor-General of South Africa.

In order to alleviate unfruitful expenditure, Mangaung has embarked on a number of cost-cutting measures. Chief among these included the centralisation of the vehicle fleet, auctioning of redundant vehicles and equipment, leasing of fleet and reducing outsourcing.

The municipality is confident that it can achieve the cost savings by further reducing its costs significantly. Whether it is through centralising a large commodity such as its fleet, tightening its supply chain management processes, or finding efficiencies in how it uses those cost avoidance measures, its administration in close collaboration with key oversight and monitoring institutions will guide.

While acknowledging challenges between labour and the municipality in the past, this new administration has demonstrated a political

will to engage honestly without compromising discipline and accountability.

The Executive Mayor is happy to announce that Mangaung has finally agreed to settle all outstanding disputes that led to industrial actions prior to the local government elections. In the light of the above, a settlement agreement has been signed between labour and the municipality.

Manyoni has committed to “getting the basic right”, going back to basic principles, The provision of basic services and ensuring every cent is accounted for, collection of revenue, removal of refuse timeously and an accurate billing system.

In addition, Mangaung is making changes to improve revenue collections for the municipality. Historically, it has done a poor job, collecting less than budgeted.

This improvement will not result in costs being passed on to end users in the form of tariff increase. This is about collecting money the municipality is owed from businesses, the government and communities, with the potential to bring R2.893.77 million additional rands to the municipality in 2011/2012 financial year.

The Executive Mayor is confident that Mangaung will be restored to its rightful place as a provincial benchmark municipality – with particular emphasis on research, training and development, reskilling and education as top priorities.

The most obvious example of that renewed commitment is the millions of rands being invested to bring integrated public transport facility right into the city centre. This project is more than an investment in transportation – it is an economic development tool that will support job growth for large and small businesses.

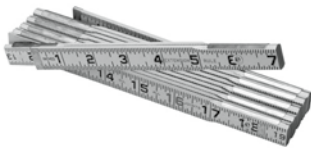
A conducive and enabling environment will be created for people to live, work and invest within the metro – keeping the metro clean, providing bulk infrastructure to stimulate development, and promoting social and economic development. ▲

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