MANAGEMENT – 1992

JANUARY — AUGUST.

Balance-sheet traps for unwary investors

S/Times (Buss) 5/1/92

(172)

By ALEKSANDER PALCECH

FINANCIAL statements are an important primary source of information

They are also an important secondary source of information for those making investment decisions

The balance sheet is a statement of a company's assets and liabilities One of the most difficult tasks of analysis is to determine the nature and extent of obligations not shown in the balance sheet

The balance sheet contains the raw data for appraising financial structure Problems await the investor who does not appreciate the spectrum of managerial discretion embodied in the balance sheet

There are many types of off-balance sheet liabilities which pose anaytical problems — for instance, those of long-term leases The accountancy profession has moved in the direction of showing in the body of the balance sheet an estimate of the capitalised value of leases which have the characteristics of purchases

Large companies frequently guarantee payment of the debt of non-consolidated associates Outright guarantees are reported in footnotes to the balance sheet Although outright guarantees are supposed to be footnoted, many may be hidden — for example, working capital maintenance agreements whereby a company puts sufficient funds into another company so that its working capital never sinks below a target amount

Minimal

The potential liability under such an agreement can be open ended, yet not be shown in the balance sheet

TrustBank — no longer listed — is a text-book example of a company using secrecy in its financial accounting to shareholders It provided its shareholders with minimal information in the context of a series of financial setbacks

It became almost impossible for outside shareholders to detect possible management inefficiencies

Companies seeking to evade sanctions may be protected by Section 15a of the Companies Act

The number of companies seeking Section 15a exemption is a matter of grave concern

Putco has followed a sage and conservative accounting policy since the controlling shareholder took over in 1971 Putco s statements imply that it is not a profitable concern

The sum of all profits and losses for the past 20 years totals a meagre R9-million Against such a lamentable performance, shareholders have received cash dividends of more than R100-million in the past five years

In 1990 a special cash dividend of R80-million was distributed In 1988 R50-million in property shares — arising from a separate listing of the company's properties — was paid to shareholders

The net asset value of the company, as reflected by the 1990 financial statements, is R100-million, or R3 78 a share Because of the poor profit record the share price has remained low

Vested

The company is rich in assets in spite of its unimpressive profit record and the reason is that Putco depreciates its buses over five years notwithstanding that they have an economic life of 20 years

It also made provisions to cope with the cost of new buses The net effect is that large depreciation sums are charged every year against revenue

There is an economic motive associated with Putco's accounting policy — the Government dispenses generous bus subsidies

Putco's real asset value is almost certainly double the published net asset value

The strategy of income maximising is common Management will opt for accounting procedures which result in the largest possible stream of reported income

A company faced with declining profits may change from accelerated depreciation to straight-line depreciation An increase in earnings a share may be brought about solely by a change in accounting policy for depreciation

Income maximisation strategies abound They include policies relating to deferral of promotion and advertising costs, as well as capitalisation of borrowing costs

Income smoothing is much more subtle Managers select accounting procedures which tend to minimise variability in reported income As a result, stabilised income replaces maximised income as the object of managerial choice Any stable income series would then be capitalised at a higher price earnings multiple than a variable series

Of over-riding importance is the need to account for the substance of a transaction

The substance of any transaction is determined by identifying its effect on assets and liabilities The disclosure of assets and liabilities as reflected in the balance sheet is influenced by the variations permitted in accounting procedures

Any company whose management is bent on reflecting a financial structure in the most favourable manner may use these practices

- The value of current assets could be inflated by not making adequate provisions for obsolescence and other reductions in trading stock values Similarly, the value of debtors can be inflated by insufficient provision for bad debts
- The company may follow a selective policy of upward and downward revaluation of fixed assets for smoothing reported income The value of fixed assets becomes, as a consequence, meaningless and is likely to deceive readers of financial statements

Upward

- Questionable accounting policies are often used to account for purchased goodwill The balance-sheet value of goodwill and other intangibles may be unrepresentative of the future earnings capacity of a business
- A company may decide not to reflect the value of long-term leases Its resources and obligations are understated and financial ratios are distorted
- An arbitrary classification of short- and long-term investments in marketable securities enables management to manipulate their carrying value reflected in the balance sheet
- Investors cannot accept at face value the contingent liabilities disclosed as footnotes to the balance sheet A fair amount of judgment and management discretion is involved in the determination and valuation of contingent liabilities The risk profile of a company may be understated by insufficient disclosure or non-recognition of contingent liabilities
- Management may improve a company's financial state by window dressing the balance sheet — transactions done shortly before the end of the financial year and reversed early in the following financial period

Investors should make adjustments to the published financial statements so that they reflect economic reality

Bath

There are three major financial statements for every company The investor should view them as an integrated set of data and not focus on one The income statement, the balance sheet and cash flow each present the company's financial position from a different perspective The different perspectives interlock to give a generalised overview

Almost every item in the income statement has the potential to mislead investors In addition, management can manipulate reported earnings by using techniques such as income maximisation, income smoothing, or the 'big bath" syndrome

Areas requiring special understanding are the timing of revenue recognition, the effect of inflation on the calculation of cost of goods sold through inventory and depreciation accounting, the problems involved in accounting for expenses flowing from employee benefit plans and from a wide variety of outlays which are not definable as either current or long-term in nature, manipulation of the date of discontinued operations and the potential distorting effects of tax provisions

Main areas of concern in considering a balance sheet are book versus market values of such assets as receivables inventories, capital facilities, appropriate definitions of liabilities, including deferred taxes, lease arrangements, and a wide variety of direct or indirect guarantees of indebtedness

Investors in highly diversified companies should try to obtain additional information on the profitability, risk and growth of their significant divisions

TIES

E APPLICATIONS,

Registrations in March 1992	
160	(31%)
47	(9%)
36	(7%)
48	(9%)
65	(12%)
3	(1%)
84	(16%)
15	(3%)
39	(7%)
3	(1%)
21	(4%)
521	(100%)

entering

ers

Desirable growth rates

S/Times (BUSS) 15/11/92 (172)

Andy Andrews

ON BUSINESS

MANAGERS plan for the future. Their performance, rewards and even survival depend on how well they plan and how effectively they implement those plans

Managers are being evaluated continually Shareholders evaluate the firm from a risk and return point of view — cash flows, investments, even dividends!

Customers evaluate the business's performance in terms of prices charged, quality, service and credit terms

And the many other stakeholders appraise the firm from their own perspectives

Stakeholders assess the adequacy of the firm through a complex evaluation of the relationship between a number of variables

Poor

However, poor decision making and performance finally show up in the financial numbers

The measures that analysts use to assess financial health have changed and become more sophisticated, with a transition from "profits" to "earnings a share" (EPS) to "return on investment" (ROI) and to "cash flow"

Generally, strategists and managers should be concerned with profitability and ROIs and will compare these with competitors and general industry performance.

We know that it is possible for a firm to report consistently high EPS growth and not be able to provide for internal cash needs, forcing borrowings to survive

King

Rusfurn, for example, reported EPS growth of 100%, 38% and 55% from 1988 to 1990 Gearing started to rise rapidly in the later years from 47% to 96% between 1989 and 1990

Mervyn King said in his 1988 chairman's review that "the year on year growth rate in excess of 30% was neither healthy nor sustainable"

We must then look beyond the profit and sales figures to assess whether a firm can sustain its operations

CALCULATING YOUR SUSTAINABLE GROWTH RATE

In my previous article I demonstrated how high growth (caused by real and/or inflationary growth) drains cash I promised to provide a simple approach to assess your optimal growth rate

Several variables affect your sustainable growth rate (SGR) and can be condensed into a formula that is more simple than it looks Trust me!

SGR = (D/E) (E-I) P + Rp
Where SGR = Sustainable growth rate
D = Total interest-bearing debt
E = Total equity
R = NOPAT/total capital employed
I = after-tax cost of interest
P = profit retention ratio

An example where we implement the formula will help Assume a company which has a debt-equity policy of 1 to 1, a dividend policy of paying out 50% of profit after tax (ie, a dividend covered twice) is paying interest on debt at 16% and has a 45% tax rate

Sales are R2 000 and thus the sales-asset ratio is 2 times If the operating profit is R300 or 15% of sales then the sustainable growth rate is 12,1% a year

The calculation is

SGR = 1 (165 - 088) 5+ (, 65) (5)
= 1(077) 5 + 0825
= 12 1%

This firm will grow at 12,1% a year in assets, sales and profits Any growth of assets and sales (if the sales to assets ratio stays constant) beyond this rate will mean that external financing will be required if the other variables remain constant

Alternative strategies, such as a change in dividend policy, will also help should the firm need to grow faster

For example, if the firm reduced its dividend payout ratio from 50% to 25%, then the sustainable growth rate increases to 18,2% This is an increase of 50% in the growth rate

(If you would like a more detailed analysis of how the growth rate is calculated, please write to me at Box 524, Morningside 2057)

Unfortunately, it seems that many firms simply do not know how to calculate these growth rates and we find that debt levels start to increase until the banks decide to stop lending

Of course, increasing debt will increase the growth rate until the target debt-equity ratio is reached But risk also increases

SENSITIVITY ANALYSIS

You should test the sensitivity of the growth rate to changes in dividend policy, investment intensity returns on investment, debt-equity ratios and interest rates As the above test shows, changing dividend policy to retain 75% of PAT increases the sustainable growth rate by 50%

Conversely, should competitive reaction reduce prices and margins and lower operating profit by 33%, from 300 to 200, and dividend policy remains at 50% retained, the growth rate is reduced by 50% from 12,1% to 6,6%

Let's go back to Rusfurn Table 1 shows the firm's sustainable growth rate and actual capital employed and sales growth rates

Rusfurn's growth rates

	1987	1988	1989	1990
	%	%	%	%
SGR	12,3	15,4	18 5	26 3
Capital employed	—	27	27	42
Sales	—	28	28	38

Clearly, the firm was growing faster than the SGR because both sales and capital employed were rising much faster than the sustainable growth rate

Management often believes that high growth is associated with high margins which assume that the company will be able to sustain its growth Unfortunately, research shows that the opposite tends to happen

The PIMS database, which analyses thousands of businesses, shows that although the ROI required to generate sufficient cash goes up as growth increases — actual ROIs tend to fall

The research findings show that high-growth firms do not produce enough cash

Why? Well, in high growth markets they spend aggressively on marketing and price aggressively to gain market share, widen their distribution, broaden product lines, invest in more sophisticated systems, increase debtors and make other investments to build the business

Questions

All of these reduce margins and returns and damage cash flow in the short term

Although all of this makes good strategic sense it may be dangerous from a financial point of view Every manager should know exactly what the firm's sustainable growth rate is and how its strategic plans affect its ability to finance and sustain those plans

You should ask your team

- What rate is our market growing at?
- Can we maintain our market share at that rate of growth given our current performance?
- What operating margins should we be earning to maintain our current debt-equity ratio?
- How realistic is our dividend policy?
- Which variable is key in determining our growth rate and how sensitive are we to competitive strategy and reaction?
- Are we vulnerable to financially strong competitors forcing us to concede market share by affecting our sustainable growth rate by aggressive pricing?

We have found companies that have used these concepts have been able to identify weaknesses in their competitors and themselves and this has enabled them to develop realistic, integrated plans that ensure long-term growth in both marketing and financial terms

All stakeholders have benefited

● *Professor Andy Andrews is director of The Graduate Institute of Management & Technology, which offers the Henley Executive MBA in South Africa and is co-founder of Laird-Andrews, the strategic financial consultants*

Avoid controversy with integrated employment

B/DAY 7/9/92

(172)

ONLY 35% of companies believe it would be a wise move by a new government to impose a quota system compelling companies to employ blacks in administrative and management positions

This is according to a recent survey conducted by the Quest Personnel Group, one of the country's largest recruitment consultancies

The survey, which covers 750 companies, indicates that 75% of businesses nationwide believe a new government will initiate a "quota" system

Of those only 41% claim to have an affirmative action programme in place, and of the total number of companies with an affirmative action programme, only 51% judge it to be of "moderate" success

For the purpose of the survey, "affirmative action" is defined as a programme of action instituted by the management of an organisation to recuit, train, and nurture "black" employees in preference to "white" for certain targeted positions Most of the respondents (73%) regard "Asians" and "coloureds" as "black".

"An interesting aspect which became apparent during the nationwide survey was the number of companies which are using new terminology, such as 'integrated employment', to refer to affirmative action programmes," says Quest Personnel executive chairman Roy Silver.

Silver says this is in line with the international trend to approach the issue in a less prescriptive way

Reasons

The major reasons given for companies not instituting an affirmative action programme are that they "had not had the time" (29%), or their managers "did not believe in affirmative action" (24%)

Only 6% of the companies surveyed are concerned that such a programme will provoke a negative reaction from their present white staff "The issue of creating an environment in which a truly integrated workforce can perform optimally is one the human resources management will have to come to terms with very quickly," says Silver

He notes that in some areas Quest consultants are still experiencing difficulties with clients who don't want to employ on an "equal opportunity" basis

However, there are increasing requests by clients for candidates to fill positions targeted for affirmative action and it seems larger organisations are leading the way

Quest is currently developing its own in-house skills to assist clients effectively "Our aim is ultimately to assist employers in understanding that affirmative action programmes in themselves will not enhance progress, nor ensure equal opportunities for employees and success for the corporation," says Silver

"In order to overcome many of the entrenched and crippling attitudes cultivated under apartheid, organisations will have to transform their cultures and not expect newcomers to have to adapt to the environment as it stands It will not be a quick or easy task"

By comparison, SA lags behind on most counts

S/Times [Buss] 18/7/93

Competitiveness means growth and jobs. But, as CIARAN RYAN finds in reviewing the latest World Competitiveness Report, South Africa ranks dismally on these and most other measures of economic effectiveness.

THE latest World Competitiveness Report ranks South Africa second last in the categories People and Government Pakistan is last

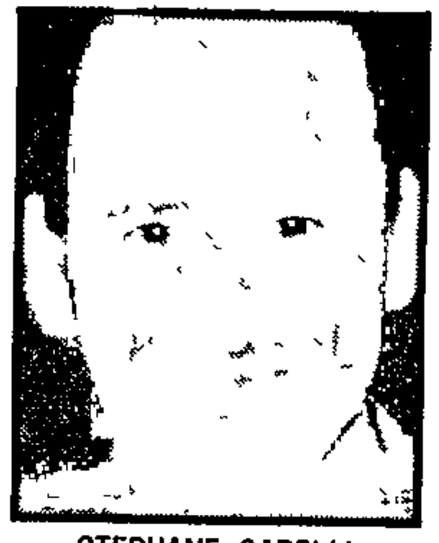
Overall, SA slipped from eighth to 11th in comparison with 15 newly developed countries

The comparison is based on performance in eight areas infrastructure, SA's highest score (fifth), domestic economic strength (11th), internationalisation (13th), government (14th), finance (sixth), management (seventh), science and technology (seventh) and people (14th)

SA's low "government" rating is attributed to interference in the economy, the need for political restructuring and high personal income tax which discourages the work initiative

Personal income taxes in SA form 8,7% of gross domestic product, the most uncompetitive in the 15-nation comparison SA ranks seventh for improper practices in the public sector Pakistan scores least in the category and Singapore the most

SA is 14th in the "people" category, scoring lowest points for worker motivation, alcohol and drug abuse, the brain drain, lack of equal opportunities and population growth It has the second-worst dependency ratio, educational system and employment growth of the 15 countries



STEPHANE GARELLI

SA managers are ranked 13th, but entrepreneurs are second

Singapore tops seven categories The exception is management, where it relinquishes top spot to Hong Kong, the second-most competitive country

Taiwan is third overall, followed by Malaysia, Chile (included for the first time), Korea, Thailand, Mexico, Venezuela and Indonesia SA does better than Hungary, India, Brazil and Pakistan

Denmark is head and shoulders above the rest in comparison with 22 developed countries, followed by New Zealand, which zoomed up the ratings from 10th last year, displacing Germany and Japan, which slipped into third and fourth overall

Publisher of the report and a professor at Europe's International Management Development Institute, Stephane Garelli, says the most competitive countries are those which add value and export

"Cheapness of labour has very little to do with competitiveness," he says. "Singapore, Hong Kong and Taiwan have been very successful at internationalising their economies.

"Interestingly, very few of the most competitive economies are rich in natural resources An abundance of natural resources tends to invite complacency The fact that the gold price is going up is good for SA in the short term, but it could be dangerous in the long term"

Nearly half of Singapore's exports are produced by US-owned companies. Professor Garelli says a hospitable investment climate is a major contributor to competitiveness

SA's "trade policies hinder the international activities of companies in the long term" says the report, which ranks SA second last in this category Singapore has the most stimulatory trade policies and Brazil the worst

Exports account for 26% of SA's gross domestic product, placing it 11th, way behind Singapore which exports 20,2% of GDP, but ahead of India with 6,7%

SA ranks first in coal production, but poorly in terms of hydro-electric and thermal energy output SA has the highest CFC emissions of the 15 countries

SA's cost of capital is "too high for competitive development"

SA ranks fourth in the stock-market sub-category, reflecting the degree to which the JSE reflects the real value of companies It is ranked fourth for insider trading, behind Singapore, Chile and Hong Kong Most insider trading occurs in Pakistan

SA's financial risk rating is 36, says the guide, placing it third last The banking and financial services sector is sixth overall

Professor Garelli says "Literacy and education are critical to the long-term success of countries. The report looks at which countries are investing in education and the type of skills being generated by the educational system

"Although SA slipped down the ratings this year, this is not a static list Parts of SA are First World, others are very poor We do not prescribe to any country what it should do, but by looking at some of the more successful economies, you can see where they are channelling their energies"

SA corporations do not care enough about customers, says the report, placing it 11th on the list Chile scores most for customer satisfaction and Pakistan least

SA has the seventh-largest economy of the 15, but a GDP growth of only 1,35% between 1987 and 1991 places it 13th Surprisingly, SA ranks fourth for inflation Mexico has the lowest inflation and Brazil the highest

"Successful economies maintain tight control over the manufacturing process," says Professor Garelli "The biggest mistake the US made was to lose control of its manufacturing basis

"The small-business sector played a huge role in the success of Korea, Japan and Taiwan Although the large Japanese companies are household names, they are supported by a massive small and medium-business sector"

World Competitiveness Report rankings

Newly-industrialised countries	Domestic economic strength	Internationalisation	Government	Finance	Infrastructure	Management	Science and technology	People
Brazil	15	14	15	[illegible]	[illegible]	[illegible]	14	10
Chile	8	3	6	5	9	4	6	5
Hong Kong	5	2	[illegible]	[illegible]	6	[illegible]	4	3
Hungary	14	10	12	12	10	14	8	9
India	[illegible]	15	10	15	14	12	12	13
Indonesia	7	9	8	9	12	13	9	12
Korea	2	11	9	10	[illegible]	6	3	4
Malaysia	3	5	4	3	6	5	5	6
Mexico	10	7	7	8	8	9	11	11
Pakistan	12	12	13	14	15	15	15	15
Singapore	1	1	1	1	1	2	1	1
South Africa	11	13	14	6	5	7	7	14
Taiwan	5	4	3	4	3	3	2	2
Thailand	4	6	5	7	13	8	10	7
Venezuela	13	8	11	11	4	10	13	8

Graphic FIONA KRISCH Source THE WORLD COMPETITIVENESS REPORT 1993

BUSINESS

Bottom line on social spending

wlmail 28/5 - 3/6/93

The Toyota Foundation's report on its social projects differs from the usual social investment report in providing facts and figures

REG RUMNEY *reports*

In the chair .. Board of trustees chief AC Nkabinde

IF FINE words buttered parsnips, social investment reporting would be a cholesterol hazard It is seriously deficient in hard facts and figures

Now Toyota SA has stepped forward as one public company prepared, unprompted, to reveal those facts and figures

The Toyota Foundation alone spent R2,3-million rand on social investment last year and will spend another R2,6-million this year The foundation governed by a board of trustees headed by Prof AC Nkabinde, will have spent R8,85-million over the period 1989 to 1993

In addition to the foundation spending, Toyota itself spent other money on donations, bursaries, and a housing scheme for employees, to give a total of R8,5-million for 1992 alone, with like amounts having been spent in previous years

That kind information differentiates the foundation's report from the bulk of the glossy, expensively produced reports on social investment that stream out of the corporate sector

The report contains not only descriptions of the foundation's work and detailed information on its spending but figures on Toyota SA's additional spending

This includes spending on help for Toyota employees to secure proper housing, and a bursary scheme Whether these are strictly speaking social investment is a matter of definition

Even if they are excluded, Toyota spent another R860 000 on donations, allocated by its donation committee

Donations and the foundation's spending came to R3 175 705 in 1992, or just under 0,01 percent of Toyota SA's turnover of R3,2-billion

The international norm is to express social spending as a percentage of pre-tax income Common figures for social spending in the US and the UK are one to two percent.

Toyota's social spending, narrowly defined, amounted to a little over two percent of operating income in 1992, though that was a disastrous year because of a 49-day strike by the National Union of Metalworkers of South Africa

Throw in housing and bursaries and Toyota's spending comes out as six percent of operating income

Toyota, again unusually, gives a detailed analysis of what goes where A glance at the comprehensive table shows most money goes towards technical education, with the biggest amount of R1 066 000 going to the kwaMakhuta Technical Orientation Centre in 1992, and the second biggest amount, of R505 000, going to Toyota Teach Primary School Project. The project will, according to the report, receive R505 000 this year

Funding for foundation projects comes from annual contributions by Toyota SA and Toyota Motor Corporation Japan

The report states The foundation has no other prime source of income aside from these grants and does not have the luxury of a large investment base from which it can derive income

Budgeted spending for this and future years are also given

The foundation, says the report is already committed to funding existing projects through to February 1994 and by then will have devoted more than R13-million to social upliftment during the first five years of its existence

Toyota has gone a lot further than many other firms in reporting on its social investment, though some, like Shell and Sanlam, to take random examples, have reported their social spending figures to *The Weekly Mail* Social Investment Award panel in past years Among motor companies, BMW and Volkswagen have taken part in our survey

A further step would have been to have an outside audit of the effectiveness of the company's social spending However, since most of the money goes on education this might be difficult since education is by nature a long-term investment in the future

Toyota deserves commendation for this report, showing the way to the rest of the corporate sector

The Kentridge poster, specially designed for *The Weekly Mail* as the first in a series of posters by contemporary South African artists

Subscribe to The Weekly Mail and get a free Kentridge poster

Impress financiers with a good business plan

STAR 30/5/92.

(172)

THIS series on establishing your own company is adapted from "Starting and Running You Own Business", published by the private business services division of chartered accountants KPMG Aiken & Peat.

BEFORE starting you business, you need to make sure it will generate enough cash so that you can pay your creditors, expand the business and, of course, enable you to live

To start with, you will probably need to borrow some money (to be discussed in the next article) so the providers of finance will expect to see a business plan

This will help you decide how much money you are going to need and also provide a yardstick against which you can measure your performance

Standard layout

If you have had no previous experience of writing a business plan, your accountant will help you, but you must appreciate the key financial details of the business and the basis on which the plan is prepared

You must tailor your business plan to the business you are going to operate A standard layout for a business plan just doesn't work

Nevertheless, essential features are an income statement, balance sheet and cash-flow forecast

While the details of these may change, the broad outline will not

Although the writing of a business plan is fairly involved, requiring professional advice, try to let your own enthusiasm for your venture express itself in your plan

You can broadly split the ideas for your plan into

- Estimated figures, which are your estimates about such items as sales, and administration expenses
- Assumption, which forms the basis of your plan and might include

□ Level of projected sales and any increases in volume
□ Gross margin
□ Expected level of inflation
□ Expected rate of taxation
□ Expected trend of interest rates
□ Capital expenditure and its timing
□ Stock turnover
□ Debtors' collection period
□ Creditors' payment period

It is tempting to be overly optimistic with your assumptions Don't — you will never meet the demands imposed on you

Have you considered that your business could have seasonal fluctuations? Take these into account when preparing projections

Have you thought about your set-up costs?

There will be a period when you have significant cash outflows which are not compensated by any inflows of revenue This period may be longer than expected

When specifying the type and amount of finance that you need, err on the side of caution Financiers will not be impressed if you come back shortly after starting, asking for more money Things often go wrong in business Allow for leeway in your budget

A bank, or other source of finance, will require projections for at least a year and, if possible, you should go beyond this A satisfactory projection might be

□ First year — monthly projections
□ Second year — quarterly projections
□ Third year — annual projection

Your projections should include a cash-flow forecast, a balance sheet and income statement

This not only indicates whether you are seeking to fund a profitable organisation, but proves the arithmetical accuracy of the figures that you have produced

A micro-computer can help you immensely in setting up projections and you will find that you can change your assumptions easily and assess the effect of these

A one or two-page "executive summary" gives the reader an overview of the business This should indicate the background to the venture, brief details of the product, what the finance is required for, the amounts required and projected results

The plan should cover the points mentioned above, but should not be exessively detailed A potential backer will not want a long report

If your proposed plan exceeds 10 to 12 pages, try to make it more concise

It is difficult to specify exactly what you need to include in your business plan, but you ought to consider

□ Your products
□ The premises from which you intend to operate
□ Relevant extracts from the curriculum vitae of each member of the management team
□ Your marketing strategy
□ Your competition
□ Past performances (if any)
□ Financial projections and assumptions relating to them
□ The financial resources required and what changes will be necessary if your assumptions prove either pessimistic or optimistic
□ Your assessment of the risks involved in the project

Answer questions

We need to stress again that while it is important to get professional advice when preparing a business plan, you must be fully involved yourself It is your plan

You will be asked about the features of the plan and must be prepared to answer questions on it

One of the main reasons for a business venture failing to attract the finance that it needs is a poorly presented business plan

A proposal for bank finance requires specific information and has to be structured to ensure its maximum impact

□ *Next Source of finance.*

'Half a million managers needed'

By Phil Molefe
Education Reporter

South Africa would need an estimated 500 000 managers in the economy by the year 2000, but unfortunately the country's universities and technikons could not meet this demand, Damelin College chief executive Johan Brummer said yesterday

He said thousands of young men and women who matriculated last year had to face the fact that there were no jobs waiting for them and many of them could not gain entrance to tertiary institutions for further training

He said Damelin's centre for business studies had decided to introduce two full-time courses for post-matriculants with a view to rectifying this problem

The courses are a diploma in public relations and business communication, and a diploma in marketing and business management. The first of these courses is due to start next month in Johannesburg, Pretoria and Durban

"Both courses are intended for school-leavers, army-leavers and others who want to prepare themselves for the business world, particularly those who could not gain entry into a university or technikon"

● The Speak English Academy, which assists teachers and pupils to develop their language skills, will resume lessons tomorrow at the University of the Witwatersrand

The principal of the school, Jennifer Shames, said the academy had been a tremendous success and educationists around the world, particularly in the US, were proposing to get involved with the project

"The lessons, geared to improve English as the spoken word, are all very active and include music, dancing and class participation," Mrs Shames said

STAR 22/1/92

France raises funds

The French government is to increase its financial support for management training in SA Funds for a joint management development programme, aimed at improving middle management skills among all races, would be increased, a French embassy spokesman said (172)

Leadership workshop in Cape 'just the start'

STAR 25/1/92 (172)

OWN CORRESPONDENT

BELLVILLE — Forty-six South African academics and an official of the Development Bank of Southern Africa yesterday completed an intensive week-long workshop on leadership and public administration, designed and led by faculty members from the John F Kennedy School of Government at Harvard University

The workshop was held on the campus of the University of the Western Cape in Bellville, and underwritten primarily by the Social Responsibility Programme of Otis South Africa.

Support was also provided by Otis SA's parent company, United Technologies, and by the Ford Foundation, IBM and Harvard University Eighteen South African universities and technikons were represented.

Speaking at the graduation ceremony, Antonia Chayes — a director of United Technologies, adjunct lecturer at the Kennedy School and a member of the workshop faculty — said "This has been an exciting seminar and, we hope, the start of a continuing collaboration between the Kennedy School and the South African academic community.

"The transition to a new South Africa provides an enormous challenge for South African universities

"Teachers of public administration and related fields, like the talented and dedicated people we have worked with here this week, will have to mount an enormous effort to train and retrain the men and women who will work in government at all levels in the years ahead.

"There has been tremendous interest here in our working together to assist the South African academic community."

This workshop began on Sunday night and finished yesterday afternoon. Workshop sessions focused on teaching techniques for successfully preparing people to work in the public and non-profit sectors in a post-apartheid society

Good PR can help fly the company flag

B/Day 27/1/92

A good public relations job on an underrated company can boost its share price and the high PR fees are justified by the role communication plays in promoting a company's affairs.

Sussens' Mann's David Carte, a former editor of Business Times, says there are many examples of share prices climbing on the back of a good PR job.

Because many good performers are relatively unknown, it is critical they learn to fly their flags

A large financial institution recently lost out on a deal with a state pension fund through being little known in Pretoria

Companies should adopt the "reporter in the back yard" approach, allowing communications consultants to explore the company and present an analysis on what changes could be instituted in communication with shareholders and potential investors

(1172)

It is vital, says Carte, to get a company to open its doors, be accessible, confront its weaknesses and promote its strengths.

Unions now look to annual reports

B/Day 27/1/92

COMMUNICATION with employees is a means of building a company from within, boosting morale and keeping staff in touch with developments

Bastion Graphics MD Rodney Bastion says "Staff are often neglected and read about critical developments, like a company take-over in the media They should at least be informed simultaneously with the Press

(172)

Penrose sales and marketing manager George Joubert says communication can also be used for internal image building, a call for productivity and as a PR exercise

With technology and a little effort, a publication can be isssued within hours to keep staff informed of developments

Diagonal Street Communications MD Peter Wallington says employees need to know what social responsibility activities a company undertakes and understand issues such as productivity and competitiveness

Sussens Mann's David Carte says employees need to be reminded they are doing well out of a company

A report to employees, giving a breakdown of how much they earned compared to dividends paid to shareholders "can show people they get more out of capitalism than the capitalists and help disarm the nationalisation lobby".

A relatively new group looking at annual reports are trade unions, which have recognised the annual report as an easy entry into what the company is doing.

Clamming up in the bad times reduces credibility

B/Day 27/1/92 (172)

GOOD investor relations can lower the cost of capital and good corporate communication can assist a company, says UK-based TWS director and investor relations consultant Richard Wagner.

Good communications can produce a more accurate share rating and make it easier for expansion by acquisition.

Wagner says while the top SA companies rank with the best in the world in corporate communication, most lag behind markets such as the US, Australia and England

The biggest problem in corporate communications worldwide is the tendency to communicate when things are good, but clam up when they are bad

This has the unfortunate effect of reducing the long-term credibility

Every company should recognise they will have good and bad times.

It is critical, says Wagner, to share information with the co-owners and co-financiers of a company and work from the assumption that shareholders and banks are entitled to information and an outline of management objectives

The test of company disclosure is whether the information is relevant, factual and timely

"The traditional management belief in absolute confidentiality is nonsense," Wagner says.

Indecision

Uncertainty about a company or indecision about where it is headed make it difficult for investors to buy its shares or banks to lend it money

Design houses and corporate communications consultants abroad are more geared than their local counterparts towards what should go into corporate communications

While design is important, it is no use having magnificent packaging for an empty box

Time and effort can determine what the corporate audience needs to know.

Design of the corporate identity and presentation of the annual report play a support role and serve as a backdrop for the content.

Financiers and investors are more concerned with the content than the packaging and the design houses and consultants recognise the need for disclosure

International investors looking to SA regard an environmentally aware image far down the list of priorities

Investors need information about how a company is equipping itself to deal with a future SA — how many black managers are there, how many are in training, and if the company promotes the right culture to deal with an integrated society.

"If SA companies want international investors, they must have clear answers about what they have done to prepare themselves for the future," Wagner says.

They will also need to know how competitive the SA products are.

Our managers must adapt to change

By JOE MDHLELA

THE [illegible] is by ch[illegible] world [illegible] man of [illegible] Foundation said [illegible] the Joint Management Devel[illegible] programme gr[illegible] mony at the [illegible] Johannesburg Rosholt said the mom[illegible] could only be sustained if events in the country [illegible] with international changes.

It follows that [illegible] including those who graduate today will face great and continuing challenges for [illegible]

[illegible] task will be to ensure your [illegible] only then will they [illegible] Rosholt said.

[illegible] that people begin to learn to [illegible] to live together as growing [illegible] high [illegible] 2.5 billion people on [illegible]

There are now over [illegible] billion, and it is exp[illegible] be close[illegible] we in South [illegible] of the consequence[illegible]

Rosholt [illegible] ment in the socio-economic sp[illegible] political solutions.

"We ma[illegible] local solutions will be [illegible]

"Unless they [illegible] ments in the soci[illegible] however [illegible] he said.

Rosholt stressed that South Africa [illegible] needs of the [illegible] program[illegible]

He warned however that without [illegible] bution of res[illegible] would not win the allegiance of the majority of South Africans.

Education in SA is an 'investment for all'

STAR 30/1/92

"Many companies are still strategically under-investing in training and management potential because they see it as a cost rather than investment," says Dr Nick Binedell, director designate of the Wits Business School.

"If this erroneous view persists," challenges Dr Binedell, it will spell "national disaster in terms of general human preparedness".

"South Africa can only emerge successfully from its bubble of isolation if its people acquire the sophisticated skills needed in today's rapidly changing business world.

"Continuing education can provide these skills," he says

"There is no doubt that individuals and groups compete through the power of their ideas in action It follows then that management and business knowledge is vital"

Dr Binedell does, however, see the beginning of some encouraging trends in attitudes towards education in South Africa

"There is a trend to self-development.

"People realise that education has to apply to them personally if it is to be of real value," Dr Binedell said

"They are also seeking knowledge which can be quickly and effectively applied in the workplace.

"So much of modern economy, commerce and markets are interrelated that a broader knowledge is becoming more valuable than specialisation," he said

"The percentage of black people and of women enrolling for courses at the Wits Business School has increased, but numbers remain well below national demographic profiles, and below the standards set by leading countries we should be modelling on," Dr Binedell said

"Real opportunity for society starts in enrichment of the individual South Africans have to realise that the education of its people is an investment for all," he said

Learn how to save 25 pc of your day

STAR 30/1/92

Professional people can spend up to 25 percent of their day reading, absorbing and sifting through information, according to Consolidated Training International (CTI) general manager Barry Katz

This valuable time can be halved by improved reading and retention skills taught in CTI's learning methods course, Mr Katz says

"The schooling system and tertiary education has never adequately addressed the issue of how to study or how to absorb and retain information," he said

"This problem carries through into the work situation," Mr Katz said

He says companies would maximise their training expenditure by ensuring trainees were effective learners

The CTI course claims to teach people how to learn and read faster, retain that information and recall it at will

The Learning Methods course covers advanced study techniques, retention and memory training, listening skills, analytical and lateral thinking

Methods used in the training are particularly useful, says Mr Katz, in product training

IMSA uses training to change corporate culture

STAR 30/1/92. (172)

In recognition of the urgency and importance of addressing South Africa's training backlog, a trust organisation, called Integrated Management South Africa, IMSA, has been formed by representatives of some of the country's leading companies

IMSA's mission is to be "educators for planned change" and, through training at leadership level, hopes to encourage training right through the ranks and engender change in corporate culture IMSA also operates its own management training — both customised and in the form of public courses through its operating subsidiary, Effective Executives

Keith Edmeades, managing director of IMSA and Effective Executives, says goals include inspiring a personal work ethic among workers, to facilitate practical learning in the workplace, to promote a free-market economy

As a non-profit trust, funds raised by IMSA's training and consulting activities are ploughed back into further training

Among the public courses to be offered by IMSA through Effective Executives in 1992 are

Assertiveness Training (two days)
How to handle people (one day)
How to run a meeting (morning session)
Industrial Supervision (three days)
Management (three days)
Practical Time Management (two days)
Time Management for the Executive Secretary (one day)

Corporate Courses include:
High Output Management
Management Aggression for Leadership Effectiveness

Any of the public courses may be tailored for in-house application

These are run at IMSA House in Midrand To book contact IMSA at 805-1815

Training budgets must increase

STAR 30/1/92.

Companies' training budgets are going to have to increase if South Africa is to develop at the required pace, say leading businessman. Susan Ramwell reports.

In 1990, expenditure by companies on education and training, R3,8 billion, was 16,7 percent of the gross national expenditure on education (formal, non-formal and training) of R22,7 billion

Companies and individuals together make up the private sector's contribution of R8 billion and the Government's contribution amounts to 64,2 percent of the total for that year

These facts are according to research by Business and Marketing Intelligence BMI completed in April 1991, and was based on a sample of 300 major South African organisations BMI will update the research this year

In the training market BMI calculated an expenditure of R3 340 million The company's conclusions are that the average R620 spent on a worker a year, according to their research, must increase about ten fold in this decade if it is to make an impact on the current skills' shortage At present there is an undersupply of skilled workers and an oversupply of semi-skilled and unskilled job-seekers

The research report advised a further 10 to 20 percent increase in the R235 million spent on informal education

The major skills shortages in South Africa, according to the study, are in technical and general management areas and it is forecast that the manager/worker ratio could worsen to 1 8 by the year 2000 unless the training backlog is addressed

The challenge is daunting, and will probably require companies to increase training budgets as a percentage of turnover from the current 0 5 percent to as much as 5 percent at a time when turnover growth is virtually stagnant

But a positive view is taken by BMI chairman Jonathan Harrod who believes South Africa's own training resources and educational institutions are sufficient to cope with the load In short, the only major problem is a shortage of funds.

The Budget to be announced by Government in March is expected to allocate 20 percentage of total expenditure to formal education (excluding contributions to TBVC countries), but the Minister of National to and Environmental Affairs, Mr Louis Pienaar has announced that this is unlikely to meet the needs of universities and technikons

He says "Growth in student numbers exceeds the growth in the economy"

That will place additional demand on private-sector contributions to both formal and informal education and necessitate a greater burden on corporate South Africa and greater use of the wider training industry

It is interesting to note that of the R235 million spent in 1990 on non formal education (52 percent from companies and trusts, 15 percent from overseas funding and 13 percent from parents and pupils), only 5 percent of the expenditure went to management or leadership training and 6 percent on technical/tertiary education The bulk (34 percent) went to the secondary school level, 15 percent on adult education and 13 percent on teacher training

In the view of a majority of directors of academic and training organisations, South African companies are rising to the challenge with greater recognition of the need to upgrade workforce skills

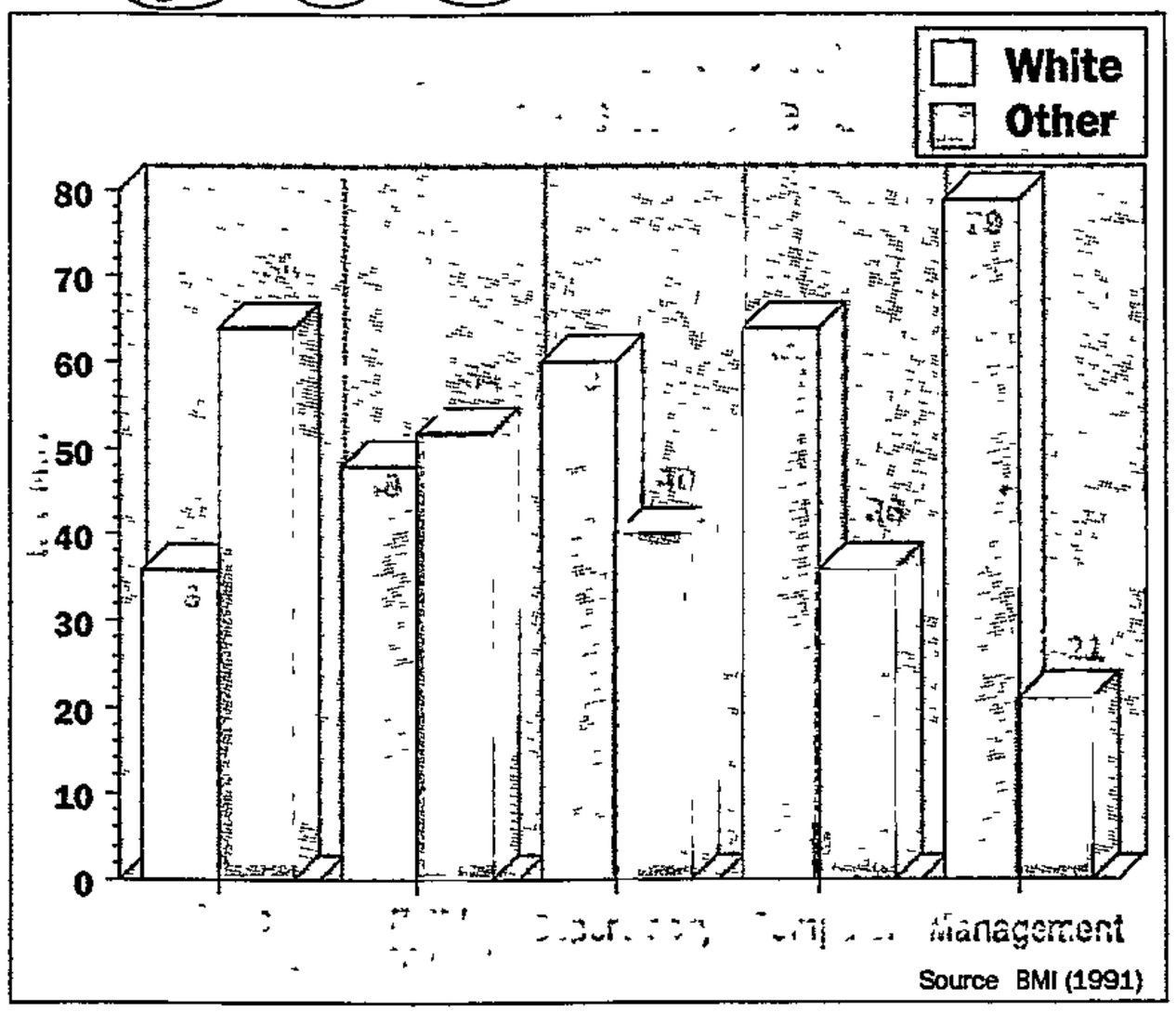
Private-sector training companies in the main report growth in demand

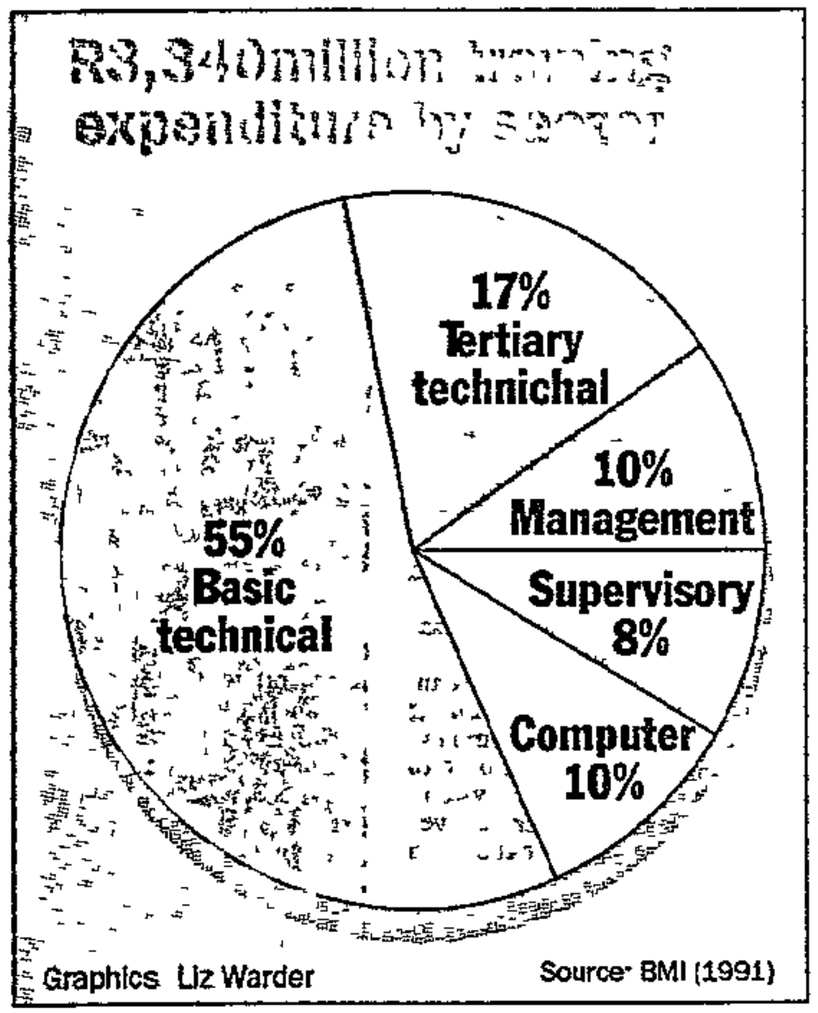
Most such companies offer not only packaged courses, but customised courses which can be conducted in-house

Considering that 82 percent of 1990's R3,3 million training expenditure was spent in-house the training industry appears to be moving closely with market needs

Cost-effective expansion of training, however, is likely to point companies to greater use of packaged courses, and devolution of responsibility down the corporate ladder for in-house training responsibility

Keith Edmeades, managing director of training company Effective Executives and of the training trust organisation, Integrated Management South Africa, says "Companies need to become effective learning environments Training is not the exclusive territory of the trained human resources manager alone It should be part of the job description of all managers as a priority, not as a last resource"





Learning for professionals

You've heard of the one-minute manager Here's how to adopt the "winning way" in a variety of tasks - in one morning!

Birnam Business College is running a series of morning seminars

The learning is intensive to suit the time-pressured professional

The topics covered include

- Customer Service Public Relations
- Motivation in the Business World
- Lateral Thinking for Management
- Effective Writing and Writing Skills
- Creative and Effective Presentation (presentation skills for the boardroom or for public appearances)
- Credit Control
- Advanced Time Management

It's only words . . . (172)

One South African training company cites the following fictional stories as typical of this country's need for better communication as a precursor to a productive and efficient workplace

"Put the hose in the pool!" And much to the disgust of the employer, who actually meant "Top up the pool", the gardener did in fact put the entire hose into the water

A key man is promoted to head up the mining division of his group, but can't speak Afrikaans "Turn off the machine,' he is told The labourer pushed the plant's total shut-down button, at a cost of R2 million

"These scenarios are repeated in business every day in thousands of different ways And it's costing us a fortune," says Annica Foxcroft, a director of Interman, a communication and management training company.

"Interman was established 12 years ago to combat the problem of language barriers in South African companies, where commonly, as many as 20 languages are spoken We endeavour to develop skills through performance-linked language and communication training"

The training offered by Interman is job-orientated, covering both language and culture, making cross-cultural negotiating a more successful and enjoyable experience "True communication involves not only understanding the words which are spoken, but also the meaning behind what is said," says Ms Foxcroft

Interman is used by some of the country's top companies and professionals Trainees are mainly professional people but range from attorneys through to technical operators

P27

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The Star Thur

Earn credits for a US university

(172)

STAR 30/1/92

Management studies in South Africa can earn credits for a United States university business administration degree

Training company Executive Education is the SA study centre of Newport University in California and most of its courses earn credits towards the Newport Bachelor or Masters degree.

Executive Education managing director Rex Drew says there is a difference between traditional universities and statutory universities, the latter having annually monitored standards of education. "What this means is that standards stay consistently high If anything, monitoring means more attention is paid to achieving good results"

The college is also a founder member of the Association of Private Colleges of Southern Africa — a body formed to monitor standards

The company reports an increased demand for training despite the recession Mr Drew says that most full-time course students are company-sponsored while most part-time students pay for themselves

Get computer-literate

(172)

Computers, supposed to free the workplace and management, can have the opposite effect in the hands of the non-computer-literate

Yet where does the busy executive find time to learn a mix of basic computer skills? STAR 30/1/92

One of the more flexible approaches to the problem is that offered by Computer Academy's special mixed 80-hour flexitime Business Computer Course offered in or out of normal business hours up until 9 pm on weekdays and 1 pm on Saturdays

A variety of computer skills are selected by the student and the mix or time spent on each is open to choice up to the limit of 80 hours

The usual time spent on a specific Computer Academy course is 32 hours

Computer Academy group branch manager, Oren Rosenbaum, says "Computer education draws every age group Our students range from a 13-year-old to an 84-year-old, and everything in between Industry can't operate without computers so no one can really afford not to comprehend basic computer usage skills "

Train blacks for top jobs - callers

(172)

Sowetan 5/2/92

SOWETAN RADIO METRO

TALKBACK

By IKE MOTSAPI

BIG business should train and promote blacks to senior management positions if they hoped to correct the imbalances caused by apartheid, listeners to the *Sowetan*/Radio Metro Talkback show heard last night.

Dr Sylvia Moeno, who has written several articles on affirmative action, said this was a way of opening "up doors that have been previously closed to a section of our community by apartheid laws"

She said affirmative action was one of the ways of redistributing wealth to "politically disadvantaged" people.

Moeno said, however, that affirmative action would only succeed if there was a total transformation of the political situation in the country

Suicidal

Lucky from Modderfontein said big business was dominated by white males in the country.

He added "This has to stop if affirmative action is to be a success.

David from Rosebank warned that it would be suicidal to "just appoint blacks to positions in senior management even when they did not have the skills and qualifications to handle the job"

Monty from Maritzburg said blacks had to be properly trained before being considered for senior management jobs

High-calibre turnout for conference

B/Day 7/2/92 172

Business Day Reporter

FRANKEL Max Pollak Vinderine's 15th annual investment conference, scheduled for February 18, features high-calibre guests and speakers drawn from local and overseas business and political arenas

Besides the main all-day conference presentation, the arrangements span a full week and include day trips to leading companies in Johannesburg and Cape Town, as well as functions where the guests will be able to meet SA leaders and businessmen The conference starts on February 16, when the overseas guests arrive, and ends on February 21

Overseas guests attending the event include Colin Campbell of The Times in London, Michael Cook of S G Warburg Securities, Ray Davis of Smith New Court International, Richard Collier of N M Rothschild & Sons and BNP International Financial Services GM Graham Davies

The conference week includes trips to Soweto, Rand Refinery, the JSE and a number of industrial and mining production facilities Guests at banquets include President F W de Klerk, Cabinet members, ANC president Nelson Mandela and secretary general Cyril Ramaphosa

Lead speakers are Finance Minister Barend du Plessis, Reserve Bank Governor Chris Stals and Steve Riley, a government relations consultant of Riley & Fox USA. Following the presentations, a number of panel discussions have been arranged

The panels will be chaired by top businessman and investment analysts including Times Media MD Steve Mulholland, Union Bank of Switzerland gold analyst Andy Smith and Barlows vice-chairman Derek Cooper

WOMAN

Women aim to make themselves heard

By SIZAKELE KOOMA

Sowetan 7/2/92

BLACK professional women need a collective voice to respond to issues that impact on their lives and a club, they believe, is just the vehicle to make themselves heard.

About 60 professional women among them lawyers, accountants, businesswomen and company managers, decided this week that the time had come for them to reassess their participation in both the corporate world and in their homes

The club, still to be launched and still to be named, will be the second attempt by the women to organise themselves

The first venture in 1989 failed because of a "lack of commitment from members"

Founder member of the earlier club and one of the facilitators for the new one, Wendy Luhabe believes that the club would be an ideal platform for women to establish a power base that would enable them to lobby on issues that affect them

Luhabe said the corporate world was designed with the white man in mind and a white woman somewhere No consideration was given to the black woman who nevertheless had been able to succeed

"Black women have succeeded in their own individual capacities but their success has been lost because of the lack of a visible structure that acknowledges their efforts," Luhabe said

She said it was important to recognise the transformation of black women and to help them face the challenge to develop themselves, something the club would do.

"We also need to define our stand as professional women We should not be just a vague force in the corporate world

"We need to reassess our participation both as professionals and as mothers," she said

Asked why it was important to have a black women's club at a time when the country was preparing for a nonracial society fellow-facilitator Ursula Johnson said the club would tackle problems peculiar to black women They would later address issues that are common among women all over the world

"There are clubs for people of any group you can think of but for black professional women

"We are mainly filling a need I would not like to see us shutting other people out although I strongly believe the club should be black driven with black thinking," Johnson said

She said corporate South Africa did not trust black women and hesitant to give them responsibilities

It had not learned how to work with them It is this issue and many others that the club would debate and seek to address

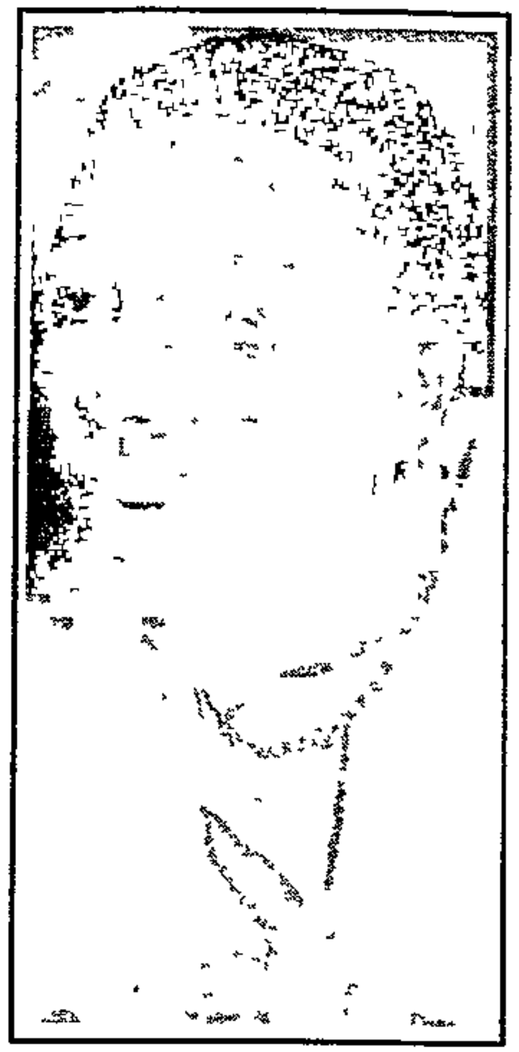
Johnson does not think the Black Management Forum (BMF), formulated on similar ideals but encompassing black professionals of both sexes, is the right forum for women to address their problems

"The BMF is orientated towards the black man Although it opened its doors for everyone who is upwardly mobile it never made room for women

"It alienated them by not actively involving them in the offices," she said

She said their first venture had failed because of a lack of commitment. But now she believed there would be action and commitment by members

Gail Mlokoti, manager of Intra-organisational communications at Eskom - "The club should not be another powerless organisation that would end up useless."



Ursula Johnson, specialist with US Foreign Commercial Service - "We are mainly filling the need I strongly believe the club should be black driven "

Wendy Luhabe, who runs her own consultancy - "Black women have succeeded in their own individual capacity but their efforts are not acknowledged."

Nana Magomola, a lawyer - "Women should spread the circles of interaction and get to know others in different profession."

Marketing 'overlooked'

(172)

MARKETING has an important role in business and is often overlooked in framing overall strategy, says UK marketing academic and consultant David Walters

In the latest edition of the Wits Business School's Business Alert, he says patterns of customer purchasing should be related to other planning.

"The Japanese know what selling is all about," he says. They could make seven alterations a day in store-layout to accommodate changes in clientele from early morning opening to late-night closure.

Former head of business economics at Wits, Russell Abratt, sums up marketing as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives". B/Day 11/2/92

Businesses needed to communicate this marketing concept within their own organisations. Traditional marketing functions needed to be refocused, and corporate image needed to be constantly addressed.

Making it in a man's world

Sowetan 12/2/92

(172)

THERE is a new breed of South African woman - black and white - that is making it in a chauvinist environment.

These women are stepping on a few male egos as they climb the corporate ladder

The Executive Women's Club of South Africa plans to highlight that some of the best business performers throughout the difficult economic conditions of the past 12 months have been women

Speaking at the launch of the Businesswoman of the Year Award 1992, Professor Ronel Erwee, of the University of Pretoria, disclosed statistics about women in business

Some of the women who have reached the pinnacle of their careers and won the award are Soweto businesswoman Mrs Marina Maponya, Mrs Reeva Forman, owner of a cosmetic company, Mrs Jane Raphaely, editor of Cosmopolitan Magazine and Mrs Dorcas Ndaba, executive member of Fabcos

She said "Their performance will leave many males in doubt and show that this award has a vital role to play in the development of our country

"The award, open to all races, publicly recognises and rewards exceptional business achievements of women"

Prejudiced

She said women have been prejudiced and research has shown that there is an increase of 40 percent of them who have entered the corporate world

It was also a factor that women were misinterpreted and sexually discriminated against, according to a survey by the University of Cape Town

Businesswoman can achieve outstanding success year after year and 40 percent of them already occupy senior positions.

Egos

"There is a revolution as most women are trampling on male egos as they go up the ladder in the corporate world More are entering the fray," she said

The current generation at universities was moving into the business - 45 percent females in the Bachelor of Commerce degree and male dominated careers such as engineering and law

Winners

The executive of the award, which is already in its 13th year, is inviting women of all races in all fields of business or industry in southern Africa to enter The closing date is April 10 and the winners will be announced on August 26

Banking with (and on) women

Sowetan 14/2/92

Almost 17 years after women in America started a woman's bank, South African women are set to take a step in the same direction A plan to start a women's bank was mentioned to Sowetan Woman by Mrs Zanele Mbeki, wife of ANC international affairs director Thabo, last year Mbeki could not explain how the bank would work, who was involved and when it would be launched She could only say that such a bank was planned Today we publish the story of The First Woman's Bank of New York which opened in 1975

:W YORK - Its me said it all The rst Women's Bank New York

t was exactly what its suggested - a bank by men for women

All this novel "women's ık' had in common with er normal banks was money it handled The ıh was strictly 'bı ual All else was femi- ıe

When the First Women's nk opened on New ırk's posh Fifth Avenue October 1975, feminism s at its most militant It s a bold stroke by a group bold women, asserting a ɔman s right to a place in marketplace

Brainchild

The bank was the brain- ıld of an organising com ttee of 18 men and ɔmen prominent in New ırk City business among m early feminist leaders e Betty Freidan

The group received ndsome assistance from w York Governor Nel n Rockefeller who ɔught it would be politi lly unwise to oppose the ɔve, which was simply to ɔvide women with the fi- ncial opportunities they d traditionally been de- ɜd

Its organisers wished to ımonstrate that women d the ability to handle ofessions previously re rved for men such as re- l and investment bank- g A survey the year be- re the bank opened its ɔors to a swelling crowd women clients, of six ajor banks, showed that ıly 14 women held the ısition of vice president ɔmpared to 1 570 men

Founder

Professional women be- nning slowly to move up e corporate ladders, could te hundreds of instances which they had been de- ed mortgages, business ans, consumer credit and edit cards One promi- ɜnt city councillor Ms arol Greitzer an active ınder of the bank, had een denied a housing loan fter she was divorced un- ss she could produce a ıale co-signer

That incident was enough to persuade her not only to throw in her weight with the bank s founding group but to sponsor a bill that prohibited the city from depositing municipal funds in banks that dis criminated against custom- ers in any way

In less than 10 months the bank had almost 7 000 stockholders from every section of the US It struck immediate problems find- ing a woman who had suf- ficient high-level experi- ence to be its first president Instead of the 15 20 candi- dates the organisers ex- pected, they could find only four

Husband

Finally, under Ms Madelaine McWhinney, vice president of the Fed eral Reserve Bank in New York the First Women s Bank opened its doors with a staff of 27, four of whom were men

The opening drew 1 000 people including one man who had founded an or- ganisation called Husband Liberation He picketed the building with an assort ment of anti feminist signs, one of which read 'Wom- an s place is in the home, not the bank About 350 accounts were opened the first day most of them by women who previously had trouble getting loans or credit cards from their ex- isting "male" banks

The First Women s Bank provided a full range of banking services both to men and women in a per- sonal, non-discriminatory manner To help human ise banking, its staff kept flexible hours (including late nights and Saturdays) paid postage on mail de- posits, had colouring books for their customers chil dren and introduced such innovations as a 24 hour money machine - the first ATM and the "unfor gettable cheque", a cheque attached to a carbonless duplicate that remained in the cheque-book as a record

Soon after, branches of First Women s Bank opened in nine other cities in California and else where, among them Los Angeles, San Diego (best- known for opening a play pen in its lobby), San Fran cisco, Seattle Chicago, Greenwich (Connecticut) and Washington DC

Services

All had three things in common First, was their recognition that women were both a neglected and often discriminated against market, second was their commitment to counselling and financial education, and third was their aware ness of the need to offer special services to their customers

But the competition hot- ted up as conventional banks and financial institu tions realised what they were missing Many of New York s major banks opened special women s branches' and some finan cial institutions conducted special seminars for women

The competition was too much It was sadly the beginning of the end

Today the First Wom en s Bank of New York has become the First New York Bank for Business - and its change of name is signifi- cant

We have in fact be come a normal bank', said one senior bank offi- cial

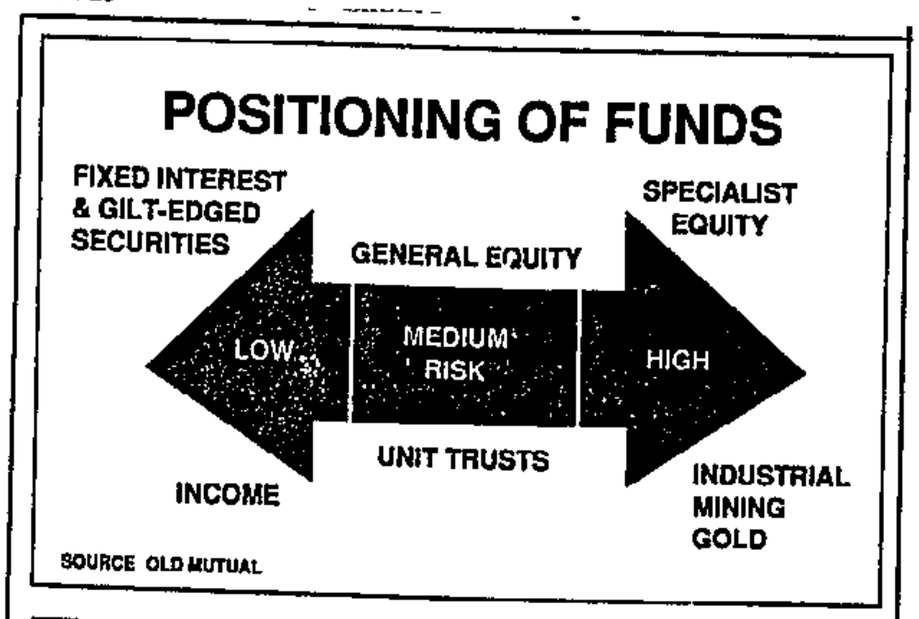
'The truth is that we found that business is uni- versal bisexual you might say There just isn t any room for a bank catering specifically for women any more than a bank can cater only for men

But we have made our point *Sowetan Corre spondent*

> **"Woman's place is in the home - not in the bank"**
>
> - Taken from a banner carried by a member of Husband Liberation

> **They boasted the first 24-hour ATM**

> **"The truth is that we found that business is universal - bisexual, you might say"**



Even executives need to look ahead

(172)

CONTRARY to what one might expect, many company executives ignore their own financial planning in favour of the responsibility for the corporate future

This neglect is largely due to a shortage of time but also because they are often no better skilled than anyone else at handling their personal affairs

Many executives have limited free time between working, travelling and business entertaining to devote to their financial future Many tend to shut it out, reasoning that they will tackle the issue when they have a moment

Care

But the more they procrastinate, the worse it becomes

Ideally, they should approach their own affairs with the same care and enthusiasm as their business commitments — but they don't Some rely on their lawyers or accountants which is not always the best solution because they do not necessarily have the expertise in this exacting field of financial planning

In addition, their corporate benefits are often structured for employees — such benefits may not be adaptable to executive needs

These are the executives who plead poverty because their benefit structures are not tailored to their requirements They might also follow the advice of partially informed friends or business associates which can be totally inappropriate for them

Mr Trevor Buckland, Old Mutual's manager corporate of executive consulting, says while he takes away a lot of the problems of planning, he still needs between 30 and 60 hours (including five with the executive) and the executive needs to produce documents such as old share certificates, savings accounts, a will and beneficiary nominations

Once the plan is running, the fine-tuning requires less time He visits all his clients at least twice a year

Benefits

Some executives show an initial reluctance to discuss their affairs but Mr Buckland says this is usually short-lived Once they see the benefits of the service and they are assured of confidentiality, they disclose all

Mr Buckland explains why financial advisers are so vital today

"Tax legislation is more complicated, inflation is more serious and endemic and investment opportunities are wider and more varied," he says

STAR 16/2/92 (BUSINESS)

'Black women outshine men in initiative'

STAR 17/2/92

Black women were strong in initiative and highly determined compared to their male counterparts, according to Anglo American's Joop den Ouden

The company's training branch, CTU, recently conducted several individual assessments on different levels of management potential in black women

Mr den Ouden said they found that black women were "more likely to make a deliberate, conscious effort to develop their management and leadership skills than black men"

"They are so determined to become part of today's business world and develop their potential that they are more involved in training courses"

However, he found black women were "still not as decisive as black men" when making final decisions This could stem from the rural tradition that women had to be subservient — Staff Reporter

The MINISTER OF LOCAL GOVERNMENT AND NATIONAL HOUSING

(1) (a) The property has not been expropriated in terms of the Expropriation Act, 1975 (Act 63 of 1975), which determines that market value must be paid for the property As valuations are still being awaited, the amount payable has not yet been determined

(b) It is envisaged that the compensation for the purchase of the property will be financed from the Community Development and Revolving Fund

(2) No claims have been received yet The prescribed legal procedures will be followed in respect of any claims received

(3) Safety of the residents is the responsibility of the Minister of Law and Order

Bank robberies. number/value of property

*14 Mr A J LEON asked the Minister of Law and Order

(a) How many bank robberies occurred in the Republic of South Africa in 1991 and (b) what was the total value of the money and valuables stolen in such robberies?

B199E

The MINISTER OF LAW AND ORDER

(a) 2 536 (including Post Offices and Building Societies)

(b) No statistics are kept with regard to the amount of money involved

Citizens from TBVC countries: number/identity documents

*15 Mr J H MOMBERG asked the Minister of Home Affairs

(1) (a) How many citizens from the TBVC countries were living in South Africa as at the latest specified date for which figures are available and (b) how many of them were eligible for South African identity documents and/or citizenship as at that date,

(2) whether he intends issuing identity documents to all such persons living in South Africa, if not, why not?

B201E

The MINISTER OF HOME AFFAIRS

(1) and (2)

It is not possible to furnish the information as citizens of TBVC states are exempted from visa requirements and the possession of temporary residence permits The entry into and departure from the Republic of TBVC citizens are thus not monitored or recorded All that is required of these citizens to sojourn legally in the Republic is to be in possession of a valid travel document, which for this purpose could also be an identity document

Identity documents are issued to these citizens who are permanently living in the Republic, should they apply therefor If an applicant for an identity document should qualify for South African citizenship in terms of the Restoration of South African Citizenship Act, 1986 (Act 73 of 1986), he would be issued with an identity document indicating that he is a South African citizen If at that stage he does not qualify for SA citizenship, he will be entitled to an identity document indicating that he is not a South African citizen

Theft of scheduled medicines

*16 Dr W J SNYMAN asked the Minister of National Health †

Whether her Department has been notified of and/or has received complaints or representations about large quantities of scheduled medicines allegedly stolen from dispensaries under the control of the State, including the provinces, subsequently being repacked and rechannelled into the medicine market, if so, what are the details of the malpractices in this regard?

B203E

The MINISTER OF NATIONAL HEALTH

Yes, I am aware of the allegations made regarding this matter There is however at present no proof about this and therefore no details regarding the alleged malpractices are available A task group has been appointed to investigate the whole matter of the theft of medicine, in both the public sector and the private sector

Department of Manpower. money for two organizations

*17 Mr P G SOAL asked the Minister of Manpower

(1) Whether his Department spent any money on two organizations, the names of which have been furnished to the Minister's Department for the purpose of his reply, if so, (a) how much was spent on each and (b) what are the names of the organizations in question,

(2) whether a committee headed by a certain professor, whose name has also been furnished to the Minister's Department, was given any information on the above organizations, their operations and financing, if not, why not, if so, what information?

B204E

The MINISTER OF MANPOWER

(1) No

(a) and (b) Fall away

(2) No The Department is not aware of any information requested by the committee concerned or supplied to it by the Department in regard to the organizations concerned

Fight against crime SADF members

*18 Mr L FUCHS asked the Minister of Law and Order

(1) Whether he will request the Minister of Defence to make available members of the Commandos and other South African Defence Force personnel with a view to deploying them in the fight against crime, if not, why not,

(2) whether he will make a statement on the matter?

B205E

The MINISTER OF LAW AND ORDER

(1) Members of the Commandos and other units of the South African Defence Force are already, as the need arises, at the disposal of the South African Police At present an intensive investigation has been instituted to determine in which ways members of the Commandos, especially in rural areas, can be employed to assist the Police in a co-ordinated manner to prevent crime

(2) No, but most certainly after completion of the relevant investigation

UN Convention on the Rights of Children

*19 Mr L FUCHS asked the Minister of Foreign Affairs

(1) Whether South Africa is a signatory to the United Nations Convention on the Rights of the Child, if not, why not,

(2) whether he will make a statement on the matter?

B206E

The MINISTER OF FOREIGN AFFAIRS

(1) and (2)

No I would like to refer the hon member to the address of the State President at the opening of Parliament on 24 January 1992 The relevant section reads as follows

A new constitution cannot be separated from a bill of fundamental rights The Government is committed to the principle of a justiciable bill of fundamental rights as part of a new constitutional dispensation That is why it took the initiative that led to the recent publication of the South African Law Commission's Interim Report on Group and Human Rights

In conjunction with this, the Government has also taken the initiative in making a study of international conventions on fundamental rights, including the rights of women and children and the United Nations Declaration on Human Rights We have already progressed a long way with this in the realisation that it is necessary for South Africa to come into line with the international community

When we look at transitional constitutional arrangements, I believe fruitful consideration could also be given to whether a first phase of a bill of fundamental rights should not be part of them

Such a phased arrangement could contribute a great deal to the establishment of a culture of fundamental rights and the orientation of governmental institutions, the legal fraternity and individuals to a coming, fully fledged bill of rights dispensation It would also give the courts an opportunity to develop judicial precedents in accordance with a rights dispensa-

cont ---

Top executives buy into small business

B/Day 20/2/92 (172)

EDWARD WEST

SALES of small to medium-sized businesses had risen as former executives, forced by the recession to end their corporate careers, used their personal cash reserves to buy businesses and start life anew as entrepeneurs, business brokers said yesterday

Dealmakers director Mervyn Richter said this trend towards self-employment of executives who were retrenched or forced to take early retirement became especially noticeable last year

"In normal circumstances these people would simply look for another high-paying corporate job But with the prolonged recession and the severe shortage of top jobs, they have been forced to examine the option of buying their own business as a way of prolonging their career," he said

Consolidated Business Brokers broker Bernard Graham said there was an increasing number of enquiries from executives "More people want to work for themselves than ever before "said Graham

He said there were a great number of small to medium-sized businesses on the market, and prospective buyers would do well to be selective

Richter said most of the new buyers — who comprised about 40% of Dealmakers' business — were looking for small to medium-sized manufacturing and wholesale distribution businesses.

These executive buyers often pooled their money to buy businesses in syndicates

"We have several buyers with amounts in excess of R10m to invest in companies indicating general confidence in the economy and the belief among entrepeneurs that the economy is due to turn upwards in the near future," Richter said

Most businesses traded by Dealmakers ranged between R300 000 and R1,5m, though larger deals are not uncommon, he said

Management spy rings rife in unions

South 20/2 - 26/2/92

(172)

Last year former president of the National Union of Metalworkers, Mr Maxwell Xulu, was accused of spying for the security police The Labour Bulletin has uncovered evidence of widespread spying on trade unions during 1990. **THORAYA PANDY** reports·

AGENTS employed by Lodge Security Services were instructed to collect information on trade union activities, the latest edition of Labour Bulletin alleges

The journal possesses original transcripts of reports written by agents to their employers, Lodge.

Although the documents all date from 1990, sources believe spying is continuing

Lodge operates by offering its services to companies by letter One such letter in the Labour Bulletin's possession was written by Mr Warwich Freislich, then investigations manager for Lodge in Durban, to Mr Tommy Smit at the Four Seasons Hotel (Freislich now runs his own debt-collecting agency, Shamricks, in Durban)

Freislich writes "The objective of an undercover investigation is to bring to the attention of the management feelings about various management decisions, shop steward and union activities

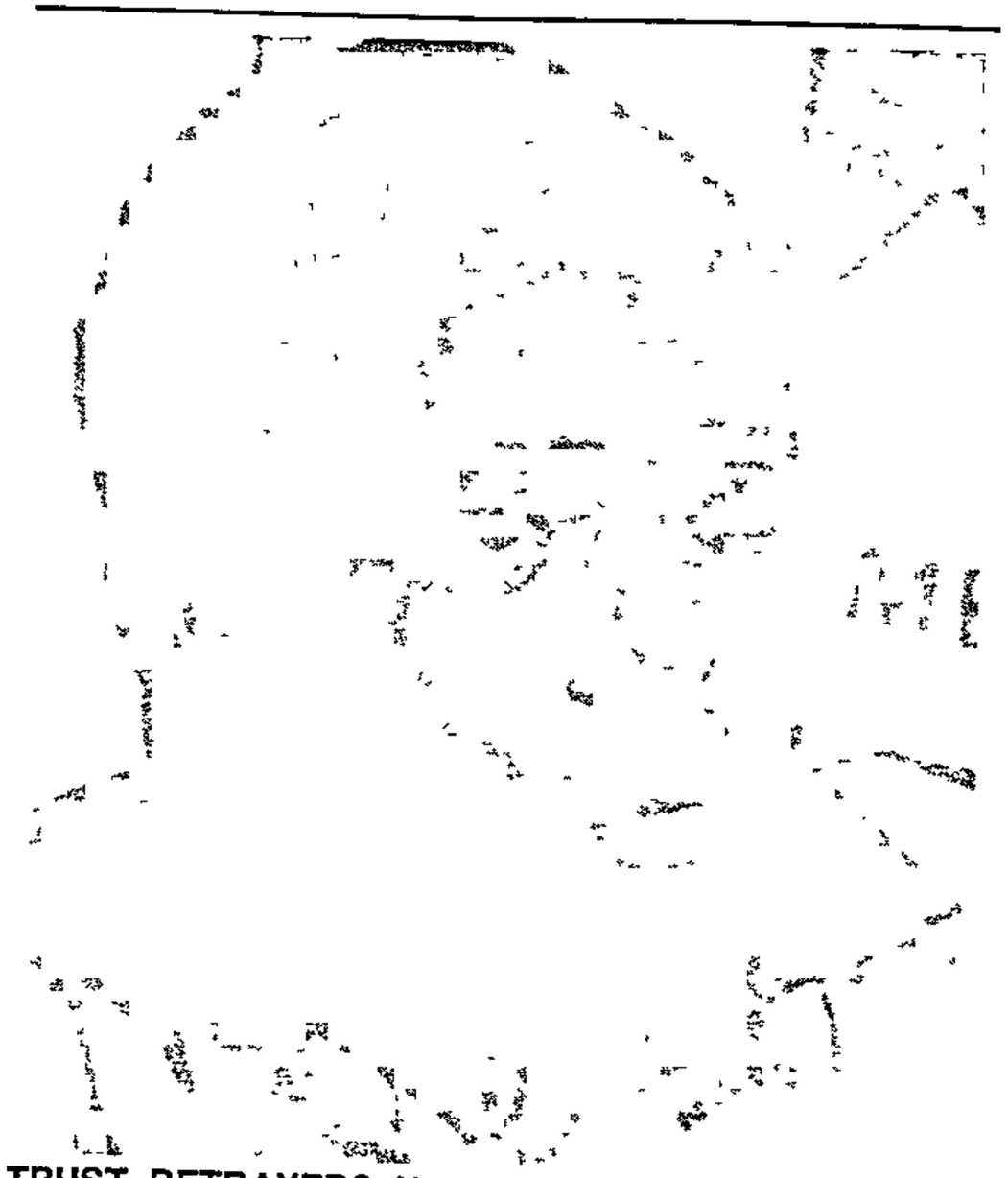
"This enables management to act quickly and make right decisions before negotiating with shop stewards and the unions "

Another letter, dated May 4, 1990, was addressed to Mr Brian Spurr of Natal Newspapers

The letter refers to a discussion the day before about the theft of motor vehicles and makes recommendations for its prevention

The letter goes on to point out that "in addition to information pertinent to this investigation, the undercover agent also gathers a vast amount of information concerning trade union activities, labour relations and attitudes concerning staff and management

"We have found an ever-increasing demand for information on labour relations and, to this end, many of our investigators are committed full-time to industrial relations investigations and in this field we can provide a comprehensive management service informing management of staff and union activities and attitudes, thus ensuring that management is kept up to date at all times with worker attitudes to disputes, wage demands and other labour relations issues "



TRUST BETRAYED? Numsa president Maxwell Xulu, a trusted trade unionist, was accused of spying for the police

This letter was written by Mr John van Stan, then Natal regional manager of Lodge Security Services

This was the same Van Stan who told a Johannesburg alternative weekly newspaper that agents were not involved in surveillance of union activities, only in monitoring pilferage

Once a firm accepts Lodge's services, Lodge infiltrates agents into the workforce the Labour Bulletin alleges The agent then reports to the security firm The report is sifted through by Lodge management who prepare a memorandum for the firm

One report, dated May 17, 1990, was written by an agent at Pick 'n Pay in Berea It details the report-back of a regional meeting on May 15

An extract from the report reads "Minnie said the points they had on the agenda were answered by Mr Gordon Hoult, about the back pay Then Minnie said the comrades told Hoult they wanted their back pay of March 21 and if he does not want to give (it to) them he will see what will happen "

Labour Bulletin has in its possession reports from agents at seven Pick 'n Pay branches

Some reports are simply entitled "Pick 'n Pay general meetings" One, dated April 8, 1990, details the problems faced by the union over negotiations conducted at the time. The report details the positions of the regions and Cosatu's opposition to casual labour It also discusses plans for a stayaway on Monday, April 9.

The investigation reveals that some of the agents are shopstewards

An original transcript of a Pick 'n Pay shopstewards meeting dated April 30 is also in the possession of Labour Bulletin

The agent was present as she/he was able to describe the agenda adopted and present discussions in detail The sensitivity of the meeting is obvious from some of the items on the agenda.

Reports written by Lodge to various managements, such as a Mr Middlebrook at Dunlop Tyres, outline the crucial issues uncovered by the agents

These reports were prepared by Freislich.

A May 9 report details a work stoppage on Monday, April 23. The work stoppage was over the dismissal of a worker and the staff were also unhappy about the company doctor The report reveals there was a direct link between the agent and someone at Dunlop management.

There is a trend for a number of ex-SAP members to join private security companies (Freislich is a former member of the SAP)

With the reduction of the state's security apparatus, SAP members have had to find new employment.

They have knowledge and probably access to the latest surveillance techniques They also have a particular "mind-set", committed to the undermining of unions rather than the creation of an environment conducive to collective bargaining, Labour Bulletin says.

During the eighties it was the government's security apparatus that monitored activities of the union movement and passed it on to employers

With the coming of majority rule and the even closer possibility of an interim government, employers will not be able to rely on the state to monitor union activities

"Some employers seem to be preparing for this by turning to private security companies, the publication argues

"Already some security companies like Lodge have assembled a network of agents in the Natal region It is important that unions confront employers involved with security companies and force a withdrawal of agents.

"Beyond this, unions need to add a clause into their recognition agreement prohibiting spying and infiltration.

"Failure to end the infiltration of spies dressed up as shopstewards will seriously undermine trade union negotiating strength "

Lodge Security Services managing director, Mr Edel Ashman, said "We are an international company specialising in controlling loss and theft within the retail trade and are not interested in labour relations "

When some of the reports and letters were read to him, he conceded some clients wanted to know why staff are unhappy

"We don't encourage staff to phone us and tell us their problems Some are, however, not willing to speak to us "

He said agents give verbatim daily reports and these are handed to the client who can do what he wants with them. "We never tried to bring unions down "

Mr Frans van der Walt, general manager for group industrial relations at Pick 'n Pay, categorically denies the franchise has ever requested or used information on trade unions gained through spying

"We used Lodge undercover services to investigate pilfering "

Battle-axe seminar

(172)

MANY women realise that they are extremely competent in their jobs, but are held back by an inability to deal assertively with tough issues

To overcome this, the Women's Bureau is to hold a seminar on February 27 entitled, Negotiation and Assertiveness. It will be led by Kerry MacFarlane of Old Mutual's management development division

Mrs MacFarlane has returned from a month's visit to America where she took part in the Harvard Negotiation Project and a seminar on gender negotiation issues

The Women's Bureau is a non-profit organisation committed to the development and advancement of women.

The seminar wil be held at the Braamfontein Hotel, Johannesburg. S/Times (Bus) 23/2/92

Raw deal in top jobs for black women

By ADRIAN HERSCH

COMPANIES are often quick to place black men in managerial positions, ignoring a larger pool of educated black women, says Ronel Erwee of the University of Pretoria Business School

But she believes that trade union pressure in favour of affirmative action for blacks and women will change this.

Professor Erwee predicts that in the next five years there will be many more women managers — black and white. S/Times (BUSS)

Central Statistical Services (CSS) figures show that black women comprise only 17% of all black managers

But the figures also show far more black women than men classified as "high-level human resources" with a tertiary education. 23/2/92

This is part of the overall trend in which women of all races "have the odds stacked against them in business", says Professor Erwee

She believes most companies have an effective "official policy", but obstacles remain

172

Maternity

For example, many companies have a seniority system where an uninterrupted length of service is necessary for advancement

"But maternity leave of three months is often regarded as a break in the career"

Another problem is that not enough women are given sponsorship for managerial training courses

"Only about 10% of MBA students and 5% on management development programmes at business schools are women," says Professor Erwee

The University of Pretoria Business School is the only one in SA offering a course specifically for women moving into senior positions

Some changes are evident Several "very male-oriented companies", including some former parastatals, are sending women on these courses

Professor Erwee says that in the next five years more women will be in management.

SBDC introduces new courses

(172)

Sowetan 27/2/92

THE Small Business Development Corporation is introducing new courses in its skills' training programme to cater more fully for the needs of the small and medium enterprise sector in South Africa.

In addition to two courses introduced in 1985, one elementary course on basic business skills and one advanced course on starting a new small business, the SBDC's training centres countrywide will be offering three courses aimed at improving the efficiency of established businesses

Relations

The first of the new courses, "How to manage and improve your business" starts next week The other two courses, one on retail management and the other on labour relations starts in the next few months

SBDC's senior general manager, Mr Toni Kedzierski, said an urgent need for business training, focused on improving already established businesses, emerged from more than 1 000 public queries dealt with daily by the corporation's 46 offices countrywide

He said "We decided to introduce a course on how to manage and improve a small business, which includes stock and debtors' control, time management, costing and increasing sales and margins "

Because there were a large number of clients in retailing, a management course was acquired to cater for their specific needs The course on labour relations for SMEs was included as the corporation's experience over the past 10 years had shown how crucial effective staff management was.

Budgeting

The retail management course consists of shop design and layout, purchasing and pricing, merchandising, managing your workers, retailing principles and basic budgeting and elementary bookkeeping

The labour relations' course introduces small business owners to issues such as discipline, dismissal and termination of contract procedures, group consultations, conducting of inquiries and dealing with grievances, trade unions and strikes

"Apart from needs established through public inquiries, we get feedback from the 328 retired business people taking part in our Mentor Advisory Programme The new courses cover those issues which SME entrepreneurs have found to be vital for the efficient running of their businesses "

The two original courses - elementary Trident One-up Business training and the advanced "How to start your own business"- are still very much in demand and will be offered more frequently than in the past.

Classes are presented after hours once or twice a week for periods varying from seven to 14 weeks at reasonable prices

Inquiries can be directed to Linbro Park Training Centre in Johannesburg, telephone (011) 608-3795/6 or 608-4052 or from any of the SBDC's six regional offices in all major cities.

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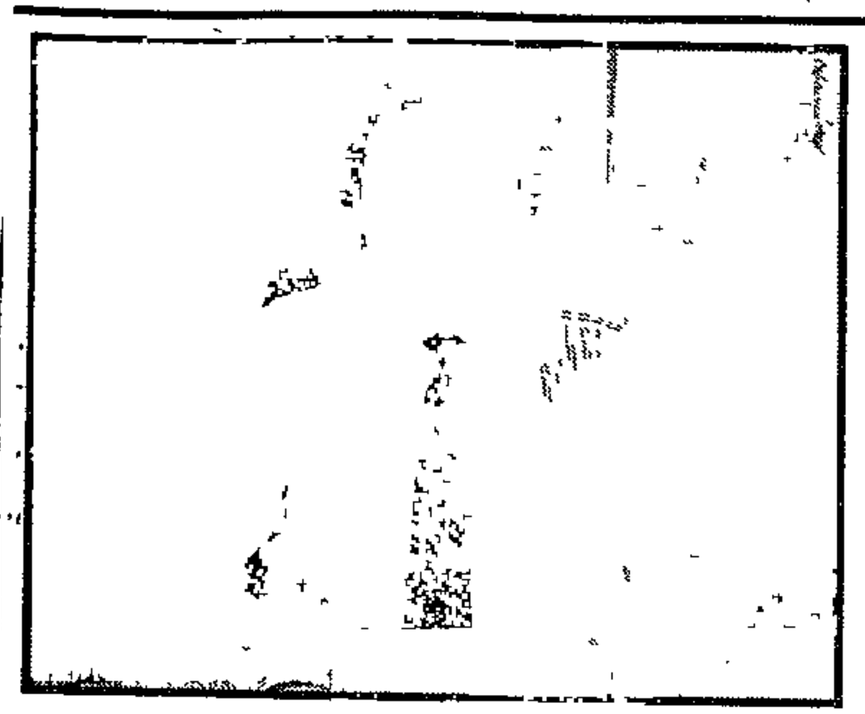
Window

Time-based training division is still group's shop

B/Day 28/2/92



RICHARD MCBRIDE

MAST SA, whose name stands for management and skills training, was the group's first business.

It is now the only time-based division to remain in the group following its strategic decision to place emphasis on product rather than time-based businesses.

When the group was listed in 1987, it comprised only MaST SA, Fact and Time/System

MaST SA, which contributed about 70% to group profit, now contributes around 25%.

But it remains the shop window of the group and operates in a growth area given the critical levels of skills shortages in the country, says MaST SA MD Richard McBride.

The company, which emanated from Mast UK, started out as a training company used by schools for study methods and reading techniques.

The division's growth into other areas of training arose from requests by schoolchildren's parents for business courses

Now, most of MaST SA's work comprises training within companies, from supervisory skills upwards.

These include communication skills, developing management abiities, team effectiveness, middle management development and financial workshops.

MaST SA's management courses teach management skill and ways to improve the bottom line.

Communication to win is another training area, teaching the ability to interact through knowledge of individuals and through feedback from subordinates and peers. (192)

McBride says another thrust is consulting to companies.

This includes bursary management and the selection of students for bursaries

MaST SA is also instrumental in the selection of pupils for certain schools on an annual basis.

In addition to corporate training, MaST SA manages some literacy programmes.

McBride says a problem in terms of training in SA is that "there has been a lot of lip service paid to advancing managers, and not much training", whereas in countries like France and Australia, a certain percentage of the payroll is spent on training.

There is an enormous skills shortage in SA, and this realisation by businessmen will mean a huge growth in training in the country

He says other benefits come from MaST SA's position in the group.

MaST SA has access to Mast Video Training's library for material to be used on its training courses.

Another success factor is MaST SA's consultants.

"The sellers of our products are the trainers, who establish a long-term relationship with the clients and develop it"

This means this division can expect 60% of its revenue to repeat each year.

Bison brings in a new industrial order

(172) W/Mail 28/2 - 5/3/92

To survive in a post-apartheid South Africa business has to change. **GAVIN EVANS** *looks at PG Bison, an innovative company which has drawn workers into its management and planning*

IF CORPORATE South Africa is to stay in business, it has little option but to democratise itself and to play a major role in changing the country as a whole

This, at least, is the view of PG Bison chief executive Leon Cohen, who is active in a Consultative Business Movement campaign for a yes vote in the forthcoming white referendum

"Business needs to bring to the attention of employees and the public at large the full economic implications of a breakdown in the negotiations process," Cohen says.

Emphasising the need for the Convention for a Democratic South Africa (Codesa), the National Economic Forum and the Peace Accord to succeed, he says "Business must take action, both individually and jointly, to protect the beginnings of a conciliatory process and prevent polarisation

But he also stresses that in-house" change — through introducing the principals of democracy within companies — has become essential both for the "bottom line' of making a profit, and for the longer-term needs of the country The old ways of doing business simply aren't working any more

What makes one take note when listening to Cohen is that his company — one of the major players in the wood and board industry — has gone much further than most in finding new ways of working

Next month it will hold its third national forum, through which the senior managers, shop stewards and organisers from four recognised trade unions will meet to plan the company's future

Already there is agreement that workers become involved in the appointment of managers and peers and that they should help formulate the policies, principles and values of the company, and play a greater role in the day-to-day running of the business

In some of the factories performance bonuses have been implemented without controversy

Management has recently agreed to full-time paid shop stewards, full disclosure on all information on the company's performance and profit and has funded a company-wide joint worker/management controlled literacy and numeracy programme It has also made an undertaking not to use retrenchments to cope with downturns in the economy

No one has been fired for taking part in stayaways or political protests, and there have been no strikes at PG Bison for nearly five years

Summing up the last forum last October, Elijah Masinga, national organiser of the Paper Printing Wood and Allied Workers' Union (Ppwawu, the largest union at the company), described the achievements as momentous.

"What we have done here is very big We are the makers of the history of the new South Africa This is not easy There are no set rules, no precedents to follow We are the pioneers of the new industrial order in South Africa."

This is a far cry from the union's attitude in 1990, when, after three years of wait-and-see, it sent a fax to its shop stewards warning against the company's total productivity and quality (TPQ) in-house change programme

"TPQ is there to co-opt the workers and undermine the militancy of the union Workers need to meet and plan a strategy to stop this," the fax said.

Instead the workers and their unions met, and after months of discussion decided become more actively involved — to ensure that they were playing a central role in its planning and implementation

The then Ppwawu branch secretary, Kenny Fihla, admitted that TPQ was "very attractive to the workers"

"We can't just reject it because then we would have a situation where only the union officials are opposed to it, when workers are supporting it on the factory floor We realised we needed to be part of it and at the same time make our position strong and make sure some of the dangerous elements were rejected "

Leading the charge Chief executive Les Cohen has brought worker representation to new heights at PG Bison
Photo SHARIFF, South African Labour Bulletin

The TPQ programme was first implemented by Cohen five years ago as part of an attempt to overcome sluggishness in the company's performance and to come to terms with new developments in industry such as the growth of unions

The initial focus was on changing the attitudes of the top managers and pushing them into accepting, as Cohen puts it, "a non-racial democracy in business and in the country as a whole"

Over the next two years almost all the company's 4 000-plus employees were taken through "value sharing" workshops in which workers, supervisers and managers would swap perceptions of each other, as well as go through courses on topics such as the history of black resistance

Coming at a time when the African National Congress was being portrayed as the devil incarnate, this caused "much discomfort among the whites at first," said Thlopeho Modise, who co-ordinated the TPQ programme

It's a sign of how far things have come that today Modise is a senior general manager, running one of the company's factories in Conservative Party-controlled Boksburg, where he has scores of whites under his authority without experiencing major difficulties.

But in the early days even the senior managers and directors were unsure about the programme.

To confront these suspicions Cohen took his top layer of management to Zimbabwe in 1989, where they spent five days meeting government officials and a delegation from the ANC.

"Today what we have achieved could be done in two years. Not only is the political climate more conducive but there are now several companies which have taken this path," says Cohen

Late last year South African Breweries increased its share in PG Bison, assuming an effective controlling interest.

Cohen says so far the shareholders have tolerated the process and he does not expect this to change

"If, in fact, the company had performed badly I think they would have removed me and the management and would have looked to something else."

But the company has prospered, profits have been high and the shareholders and workers have remained satisfied. There've been no strikes, no retrenchments, and wage increases were well above the industry average

The future probably lies along the lines of even greater worker participation in decision making, including investment policy Union representation on the board of directors and major worker share ownership schemes are a strong possibility

It's the kind of thing that is the lifeblood of companies in Germany but is still a novelty in South Africa.

It is likely to be rejected by those placing great weight on "management's prerogative", and by unionists still clinging to old models of the "class struggle", but this microcosm of social democracy just may be the way to creating the kind of partnership between capital and labour that will serve the interests of both parties, and the country as a whole

Demystifying basic financial concepts

(172)

B/Day 28/2/92

FINANCIAL training forms an important part in three of Mast Holdings' divisions.

Chairman Stephen Dallamore says Mast feels strongly about offering financial training, as businesses geared for the future should be totally confident with all aspects of financial management.

A problem in most companies is that people move through the ranks over the years and find themselves in middle management positions without any knowledge of basic financial management.

Mast offers off-the-shelf and tailor-made programmes to address these problems and improve competence and efficiency in the workplace.

Some of its numerous courses include finance for non-financial managers, an introduction to budgeting, the use of working capital, discounted cashflows and how business works.

Dallamore says it is important to understand the make-up of profit and the benefit of cash in a business, and Mast's orientation is to put simple concepts into practice

"Many sales and administration people do not understand the ramifications of discounts and margin on cost of sales.

"Our aim is to demystify these concepts," he says.

Finance training consultant Elmare Maurin says the courses are aimed at non-financial people.

Most of the training is done at the companies, involving courses from one or two days up to 10 days.

Courses are often used by companies where people have come up through the ranks into a middle management position, she said.

Courses are initially basic and include understanding income statements, balance sheets and ratio analysis.

These are followed up by courses on topics such as basic budgeting, managing working capital and cost analysis.

Maurin says there are obvious synergies with Mast Video Training in that its material is often used in the various finance courses.

If companies are interested in financial training but indicate there is not enough time for the course, they are often referred to Lexpress, where employees can receive computer-based training.

Mast company MaST SA also holds open courses of a generic nature every month for two days.

Maurin says courses held in companies are tailor made.

'The Rolls Royce of management organisers'

B/Day 28/2/92

OVER 18 000 South African businessmen base their daily, monthly and long-term time and management planning decisions on Time/Systems, a product Mast calls "the Rolls Royce of management organisers".

Time/System, which forms part of Mast Publications, is a planning tool and information storer for the business manager.

It is a Danish product which has been on the market for about eight years, expanding its base rapidly and consistently both in SA and internationally, with well over 1-million users worldwide

MD Glenn Hare says the majority of Time/Systems' clients are at director level or are professional.

The system, which sells from about R500 to R1 000 is aimed at improving time management, productivity and effectiveness in work and leisure activities.

It is divided into three categories management, a data diary and a planning section.

It is a loose-leaf system, so new data can be added and old information filed.

Not only does Time/System offer a yearly planner, but it has a range of stocks, including an archive box, an overview (which includes monthly plans), a daily plan, a personalised data bank and business card holders.

It provides computer paper to fit a standard printer and which will fold into the planner.

It also has a support facility and stock can be obtained throughout the year A time management training video can be bought to complement the system.

Hare says the rapid growth of the Time/System arises from a realisation that proper planning prevents poor performance.

The decision to merge Time/System with Universitas, originally based on synergies arising from Time/System's database, has also been beneficial in terms of the rationalisation of the two companies

The databases of the two companies will also enable the group to move into database marketing.

Major expansion is a top priority for Mast

B/Day 28/2/92 (172)

MAST Holdings chairman Stephen Dallamore intends to double the size of the group soon

Mast, which is involved in training, education and knowledge businesses, will look to doing this through an acquisition fitting in with its product strategy, says Dallamore.

Mast, whose subsidiaries include training company MaST SA, Mast Video Training (MVT), technology-based training company Lexpress Data, magazine subscription company Universitas and time planning division Time Systems, is not purely involved in education and training, but rather in the knowledge business

This broadens its range of interest to include books and magazines

Mast has cash resources of over R5m, so it is well poised to make a large acquisition

Dallamore says it is a cash rich business, with no borrowings and no debt, so it is poised to make a major acquisition in the knowledge area.

Whatever it buys, Mast is well placed in the areas of training and knowledge.

Financial director Richard McBride says Mast is in the right business, as training is a huge growth area in SA

"We can offer hi-tech business solutions to schools' training level or from basic literacy to top management, or from training at one's own pace to mass training," he says

In many training situations, MaST SA will give stand-up training, which will often be followed by video support systems — rented or bought — through MVT or Lexpress Data

In the case of its Time Systems division, time management training on video can be combined with the group's time management system

Many companies have begun to use Mast as a training arm, as opposed to traditional in-house training divisions

This helped Mast to establish long-term relationships with clients where a training strategy is implemented over a number of years

Strategic

Apart from training, Mast's strategic move into knowledge business provides synergies between the group's data bases in Time Systems, Universitas and MVT

While an acquisition is a priority for the group, McBride says Mast has also identified opportunities in Africa, where MVT is already represented in certain areas

Although Mast is poised for growth into Africa, he says the local market is still largely untapped

Organisations need to allocate more funds to training, even in tight times.

"We have spent a lot of time, effort and money branding the Mast name

"We wish to be seen as a powerhouse of knowledge with the best product and people to spearhead the upgrading of people and their businesses."

Other options open to the group include internal opportunities and the development of local products

MVT is in the process of negotiating a series of local training videos which will feature Pieter Dirk Uys

The trend towards screen-based training and education, further influenced by the fact that the skills shortage in SA can not be solved by traditional methods, is important for MVT and Lexpress Data.

Mast would also like to become more involved in exports and overseas expansion.

An important opportunity is joint ventures which could involve the export of Mast's know-how.

Dallamore says Mast intends to distance itself from its competitors through its strong product base, its innovative approach and attention to the requirements of the new SA.

Business Day SURVEY

B/Day 28/2/91

(1M2)

Mast Holdings, a group involved in training, education and business knowledge, is poised to make an acquisition in the knowledge area. While acquisition is a priority, this cash rich group has also identified significant growth opportunities in Africa. ***MARCIA KLEIN*** *reports.*

STEPHEN DALLAMORE

Over 2 000 titles for corporate market

MAST Video Training (MVT) is an example of the group's successful move into product-based businesses. B/Day

Previously Gallo Vision, MVT represents the major national and international producers of screen based training and is South Africa's largest distributor of training, education and information videos, says MD Clifford Bird. 28/2/92

About 80% of MVT's market is corporate bodies, while less than 20% is educational.

It has over 2 000 titles, covering hundreds of topics, including customer relations, salesmanship, motivation, communication and basic business and technical skills.

MVT has branches in Cape Town, Port Elizabeth and Durban, and is represented in Bloemfontain, Windhoek and Gaborone.

Bird says MVT has exclusive distributorship in SA of training videos from the BBC, Video Arts (which include the John Cleese training videos), the US's Video Publishing (Tom Peters), Longman Training and Melrose Films.

MVT has a collection of top training material worldwide — mainly from the UK and US — but has recently sourced a lot from local training material in response to customers' needs

Through a company called Eduskills, MVT produces videos for artisan training

These include basic skills in welding, electricity, automotive maintenance, driving, bookkeeping and health and hygiene

IDT opts for aggressive investment

B/Day 28/2/92 172

LINDA ENSOR in Cape Town

THE Independent Development Trust (IDT) devised a unique set of investment guidelines for the management of its R2bn portfolio, IDT finance director Jannie Kitsoff said this week

It was decided to embark on an aggressive investment strategy in order to get a higher return Each of the seven selected portfolio managers was given the freedom to pursue his own investment strategy within the parameters of the guidelines laid down

The results are monitored on a monthly basis and the relative performance of the portfolio managers is measured within asset classes against the benchmark of a passive investment strategy over two years — 35% in the JSE Actuaries All Bond Index and 65% in the McLeod Money Market Index The McLeod index is one devised by McLeod Asset Consulting, which monitors performance The performance is evaluated over a period of at least six months

There have been wide differences in the performance of the various portfolios and dramatic swings have taken place over time An average overall return on investments of 17,8% was achieved from August 1990

Seven portfolio managers were given responsibility to invest the R2bn granted to the IDT by government First National Bank (R400m), Standard Merchant Bank (R400m), UAL Merchant Bank (R400m), Rand Merchant Bank (R200m), Senbank (R200m), Volkskas Merchant Bank (R200m) and Syfrets Managed Assets (R200m)

"They were chosen for their expertise in managing short-term fixed interest security portfolios They were also chosen because of their size and their financial soundness as institutions," Kitsoff says

Management of the IDT's funds was either taken over by a specialist portfolio management division or the money market division of the institution

Although there was uncertainty over the duration of the trust, it was assumed for the purpose of portfolio management that, in the absence of an additional inflow of funds, the assets of the trust would be exhausted in about three to four years The liabilities were estimated to have a likely duration of two years To limit the exposure of the fund to adverse interest rate movements, a maximum duration of three years was set

In terms of the investment guidelines, not more than 25% of the total funds under administration by any one portfolio manager could be exposed to banking groups with shareholders' funds in excess of R1bn or any of their wholly owned subsidiaries These groups were FNB, Standard Bank Investment Corporation, Absa and Nedcor The maximum maturity of instruments in this category could not exceed three years

Not more than 10% of the fund could be invested in the Bank Holding Corporation of SA (shareholders' funds in excess of R500m) or its subsidiaries, with the maximum maturity of investments being limited to two years

For financial institutions with shareholders' funds in excess of R100m such as NBS Holdings and Rand Merchant Bank, a limit of 2,5% of the fund was laid down and the maximum maturity of investments was one year

No limits were placed on investments in bills bonds and securities issued or guaranteed by the government Eskom and the Post Office A limit of 30% of the fund was placed on instruments issued or guaranteed by Transnet and the Land Bank SA Housing Trust, Development Bank and Umgeni Water Board instruments were limited to 10% of the fund

Guidelines were also laid down on the use of options

Kitsoff says the IDT has been pleased with the performance so far.

(172) FM 28/2/92.

American companies have been dealing with the issue aggressively for more than 10 years, while Japanese companies have some 40 years experience in the field

Of the industries surveyed, the pharmaceutical, textile and clothing, and motor industries were rated among the leaders in local service performance Improved service by the textile and clothing sector has helped it to boost export sales by 41%

BMI-Insight also rated the service of companies and, not surprisingly, no company got the highest, four-star rating. Only 29% of the companies received three stars When companies rated the service of other companies, Toyota, Volkswagen and Woolworths got the most recognition

Says BMI-Insight MD Peter Matthews· "There is fairly extensive lip-service paid to the concept of service improvement Management's approach is fairly superficial and many are naive as to what's required for fundamental change."

He says management is either consciously or unconsciously avoiding the painful steps needed to improve service. Service programmes that were successfully implemented had the direct participation of senior management — usually the MD or CE and senior executives Says the report. "Throughout the study, management's visible commitment was regarded as an essential prerequisite for success"

Also high on the agenda is the monitoring of customer satisfaction. Some 88% of companies interviewed believe that such monitoring is critical, though only 62% had installed such a system.

The survey warns that employees at all levels must be incorporated into the service-improvement effort Says the report· "Only 58% of respondents believe that black staff understand the concept of service quality Unions have different priorities than management. Until the primary financial, political and social demands of unions are more fully satisfied, it's unlikely there'll be significant support for service improvement." ■

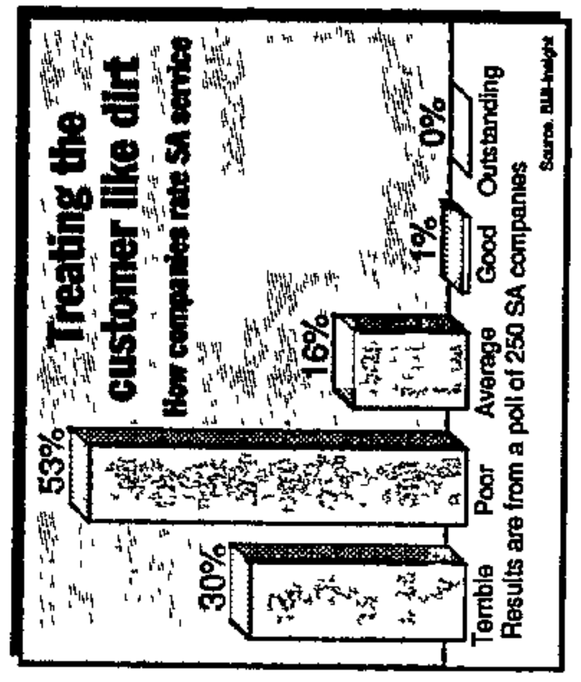
CUSTOMER SERVICE (172) FM 28/2/92

Pointing fingers

Customer service is terrible in SA, as every customer knows Now an exhaustive study on customer service helps explain why.

In the study, conducted by Ryvonia-based marketing consultants BMI-Insight, 83% of companies surveyed rated local customer service as terrible or poor But 79% of companies rated themselves as the service leader in their industry With most companies pointing fingers at everyone else, service remains shoddy

But the study, which looked at more than 250 organisations in 17 industries, ranging



from banking to manufacturing, did turn up some bright spots One is that business is becoming increasingly aware that service and not price is the dominant factor in business, that "exceptional service will command premium prices."

And the study shows that business is looking at improving service as a way to increase market share It estimates that some R4,9bn is spent on upgrading service each year.

That said, the study states soberly that SA has a long way to go in implementing service-improvement strategies. For example,

continued →

SA should be converting technology

B/Day 5/3/92 (172)

BERNIE FANAROFF

THE thrust of SA's economic and industrial growth path requires us to accept that it cannot rely on market forces alone in the field of research and development (R & D)

The establishment has tried to make as much research as possible depend on contracts from business and government departments. The discipline of the market clearly has a role But R & D is one of those areas where business has shown that it cannot and will not plan for the medium or long term The figures turned up by the Old Mutual/Nedcor scenario investigation were horrific One of SA's biggest industrial conglomerates spends 0,12% of turnover on R & D, as opposed to an average of 6% in Japan, 3% in the US and 2% by apple growers in the Cape

To develop quickly and effectively, SA requires a balanced scientific and technological programme. To ascertain what the balance should be, let us look at possible priorities

We recently had an opportunity to speak to the Swedish National Board for Industrial and Technical Development. They made the interesting point that Sweden sees itself primarily as acquiring technology and then developing and applying it. Sweden primarily processes and converts technology. It is generally not big enough to compete head-on (with other countries) in completely new technologies, so this occurs only in limited areas

This is relevant to SA. We would argue that we should primarily be technology converters

What does this mean in practice? It means having the capacity, resources and will to find appropriate technologies, acquire them, understand them, be able to develop them further, be able to adapt them for our situation or for niche markets, and be able to produce marketable products It means being able appropriately to develop and modify production processes

Each of these points raises further priorities In order to ensure that we are able to do these things, we require a "technology core" in-depth human resources of skilled and motivated scientists to direct and carry out R & D and to teach and develop other scientists, engineers and technologists in properly equipped laboratories and teaching institutions.

To be able to understand new developments and to identify, evaluate and master appropriate technologies, we require a sufficient base of research and applied research. To retain outstanding scientists (among other things) there must be space for blue sky research. To weigh these things up and develop good models for a balanced programme is not the same as applying the dead hand of state central planning

This programme cannot be developed in isolation. If the state requires education to pay for itself, particularly at tertiary level, there are important consequences

The present cost of a science or engineering BSc course is such that students won't risk hard subjects such as physics in case they fail; students would rather do computer science because they can earn big money quickly to pay back the huge loans they took out to pay their fees and economically disadvantaged students (which in SA more than in any other country also reflects primarily racial discrimination) cannot get access to these fields because they are too expensive and it takes too long to pay off loans Simultaneously, the CSIR and major companies are drastically pruning their bursary schemes Gold Fields has reportedly cut from 200 to 20

If younger scientists and engineers, who leave research institutions because there are no contracts, cannot get jobs in industry or at universities (which have few places), many good scientists are lost to other countries or to other disciplines or jobs

These problems illustrate again the need to carefully analyse applications of the market We need more physicists, chemists and engineers Pure laissez faire policies will not provide them Rather, this need requires careful state intervention in a programatic way which deals with the whole range of problems, from the schools upwards.

In considering the R & D balance, we must then be clear that present policies will tend to move too much towards appled research and in-house product orientated research. Such an imbalance has potentially drastic consequences for research and for longterm socio-economic programmes

☐ Fanaroff, national secretary of Numsa, holds a doctorate in astrophysics. This is an edited excerpt from a paper delivered last week to the Science and Technology Policy Lunch Club.

REVIEW

New transport academy will improve black management

A NEW transport academy aimed primarily at training blacks for management and entrepreneurial opportunities in transport has been established in Newtown, Johannesburg. The National African Federated Transport Academy (Nafta) opened its doors this month at the National African Federated Transport Organisation (Nafto) College in Newtown. S/Times 8/3/92 (Touch Times)

The academy, which will be run on a non-profit basis, offers Nafto members and the community at large a variety of multi-modal transport training programmes, both full-time and part-time.

By MAX BRAUN

Permanent employees are catered for with after-hours classes and there are semi-correspondence courses for those requiring limited tuition.

Taped audio and audio-visual courses will be available for students with a low level of literacy. These will be in English initially, with other languages following.

The courses cover four main areas at varying entry levels of advancement:

- Fundamental business processes and tasks;
- Business skills;
- Management development; and
- Strategic management.

SKILLS

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The courses are designed effectively to counter the lack of formal education among adult employees, entrepreneurs and prospective entrepreneurs, and are geared to provide a high level of usable, transferable knowledge and skills in the short-term.

Among the specific courses offered are:

- Diploma in Road Transport Management — three one-year courses designed for effective road transport management;
- Owner-driver course — a self-paced course at four levels providing the necessary skills to start a business or improve skills of employees;
- Passenger transport management — a short correspondence course to equip businessmen with business skills to operate a small-scale passenger transport undertaking;
- Personal development course — a four-level course for personal development in management skills and behaviour; and
- Road transport technical management — a two-year course to provide for effective management of technical functions in transport.

Other programmes and courses deal with security management and basic economic principles.

Full details can be obtained from Nafto (011) 492 1304, or the Research Unit for Transport Economy at RAU (011) 482 1877.

Nafta's acting principal, Natise Matlhoko, gives an example: "Prospective entrepreneurs can be equipped with basic business processes and tasks (level one), and then be provided with business skills (level two) in order to start their businesses."

Professor Wynand Pretorius, of the Research Unit for Transport Economy and Physical Distribution at RAU, has been appointed project manager of the academy. He has been involved in developing and managing road transport management training for the past 12 years.

The establishment of Nafta is seen as an important step in providing facilities and effective training for Nafto members and anyone already employed in, or interested to start, a career or business in the transport industry.

SBDC steps in to help small businesses manage workforce

S/Times 8/3/92 (CM) (172)

SMALL businesses can produce the right product at the right time and work hard at marketing it — but many have failed because they lack the vital skill of managing a labour force or dealing with trade unions

This has led the Small Business Development Corporation (SBDC) in the Western Cape to present an in-depth course on "Labour relations for the small business" for entrepreneurs in need of basic labour relations training

It will be held in the SBDC Small Business Centre at 60 Sir Lowry Road in Cape Town, every Tuesday and Thursday evening for five weeks, starting on March 17

"A tremendous need for training in labour relations among small busineses has prompted us to present this course," said Adv Johan Naudé, senior manager at SBDC Western Cape

"The successful running of a business and the ability to manage a work force are closely related to knowledge and skills in dealing with aspects such as grievances, dismissals and trade union negotiations

"The course is suitable for smaller businesses employing five persons, or medium sized enterprises employing up to 100"

He warned that the SBDC had encountered many examples of small businesses that had failed to make the grade merely because they had neglected to give sufficient attention to accepted labour practice, or the legal framework within which they had to operate as employers

SBDC case studies indicate that the ability to manage a labour force effectively is a pre-requisite for a successful business The studies show

- A dismissal done incorrectly can paralyse a business when trade union action follows
- A businessman insufficiently acquainted with the requirements of an Industrial Council agreement can find himself at the wrong end of a claim for wages and contributions due
- A clear contract of employment may in many instances prevent misunderstandings between employer and employee
- Cultivating a constructive relationship with employees and ensuring open channels of communication can only benefit a business

The SBDC course will be conducted by experienced, professional teachers working in the field of small business development

It aims to give delegates knowledge, skills and guidelines in discipline, dismissal and termination procedures, addressing employee problems, what to do and what not to do in strike situations, and preparing confidenty for industrial relations negotiations

The course is also designed to give an understanding of the concepts of fairness and relationship building, the inherent nature of conflict, why employees join trade unions, what role trade unions play, and the benfits of constructive agreement and collective bargaining

It will include group discussions, case studies, role playing and video material based on actual incidents to supplement the course content.

Delegates who pass the examination at the end of the 10-session course get a certificate The course fee of R600 includes a full training manual with notes Payment terms are available

Further details are available on ☎ (021) 462 1910

Big business appeals to workers to vote Yes

S/Times (BUSS) 8/3/92 (172)

By CURT VON KEYSERLINGK

BIG companies have dropped the tradition of keeping out of politics by appealing directly to their employees to vote Yes in the referendum

This action is over and above the financial contributions many have made to the Private Sector Referendum Fund and the campaigns conducted by the National and Democratic parties

Their reasons are summed up by an executive chairman who says "Never before in our 100 years of existence have we been involved in party politics But this referendum is a watershed It is a crucial question at a crucial time"

First National Bank is asking employees to vote Yes

Toyota managing director Bert Wessels says "We have been told in no uncertain terms by Japan that a No vote and a reversion to the past will lead to reimposition of the trade restrictions In spite of our good relations with Toyota Japan, the restrictions would be more stringent than they were

"We are telling this to our staff by way of individual and group communications. At a meeting with our dealers we left them under no illusions about what the situation would be"

BMW says its staff will be told of the implications of a Yes and No vote

A spokesman says. "Having just returned from Europe, I am in no doubt that even if the Right wing gave cast-iron assurances that apartheid will not be reintroduced, the perception abroad is that a No vote would lead to economic ruin for SA."

Critical

Southern Life says many business leaders believe the importance of every Yes vote should be made known to employees

BP is spelling out the implications of a Yes and No vote to staff It is explaining its support for the Yes vote, which is "critical to the future of the country"

BP will also ensure that employees are able to vote

Several companies while apparently hoping for a Yes victory are more circumspect in their approach to staff

Sasol's attitude is typical of such companies It says "We believe it our duty to our employees to give them an objective view of the possible economic implications of the return of sanctions

"We will convey the opinions of an outside consultant through our internal video newsletter on the possible effects on the SA economy and on Sasol in particular"

Executives at Premier Group have been briefed to visit the group's 500 branches to discuss the matter and to explain what can happen "if the reform process continues and what can be expected in the unlikely event of a No vote"

Barlow Rand chairman and the chairmen of the group's main divisions have written to senior managers summarising the likely economic implications of the referendum result Its managers have been asked to "do everything possible to encourage employees to vote, irrespective of their persuasion"

Murray & Roberts top management has addressed 500 managers

Other companies approached by Business Times which support the Yes vote in varying degrees are Anglo American, Standard Bank, Caltex and Shell

Gencor says it leaves decisions on political issues to its employees

Wife

Several companies say they find questions about political matters embarrassing One admits to contributing to the Private Sector Referendum Fund, but asks that this not be made public

Another says it cannot afford to be seen to be supporting either side because its employees and customers "cover the entire political spectrum"

"Its like being asked if you have stopped beating your wife," says one managing director "Whatever answer you give you are damned"

They 're-pot' executives

STAR 9/3/92

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Pot-plant treatment . . . moving a person into a new working environment is sometimes all that's needed, say Barrie Jack (left) and Neil Macdonald. Picture: Jacoob Rykliff

FOND FAREWELL

Outplacement counselling is being used as part of a 'thanks and farewell' deal for key executives

JOHN Smith was earning a package of R180 000 a year as a financial manager of a Transvaal industrial company when the "Dear John" letter landed on his desk It said he was being retrenched

Today, four months after the shock of that traumatic day, he's back in business with another company, a better job, a better car, better perks and a fatter salary

Retrenchment came as a sudden and unexpected shock to Peter Jones, who lost his job as marketing director of a chemical company as a result of a merger. At 50, and in the middle of a recession, he didn't rate his chances of getting a similar position very highly

Today he has a more senior job with another firm — and a better package to go with it

The names are fictitious The facts aren't

How did these two executives manage to bounce back so successfully?

The answer outplacement, an American-devised system where companies retrenching staff recruit specialised career counselling firms to help valued former employees find new jobs

Outplacement counselling is being increasingly used by "concerned" South African companies

It forms part of the "farewell" package given to key executives who are retrenched through mergers, takeovers, management changes or as a direct result of the economic recession

"We've had recessions before, but this is the first time in history that so many highly qualified and experienced career people, over such a wide spectrum of business, have had their services terminated," says Neil Macdonald, managing director of a company consulted by some of South Africa's largest companies to help place retrenched executives in new jobs

"Essentially, what the company is saying is, 'We're sorry we have to let you go, but we'll do all we can to get you a new job' "

In the United States outplacement is a $500 million business.

In Britain, too, it's very big

In both these countries about 90 percent of major companies use outplacement consultancies to help with the formulation and management of retrenchment policies, as well as to equip the casualties with the skills they will need to face their new problems and challenges

"In South Africa, the practice is still in its infancy, but it's growing," says Mr Macdonald

"Companies realise that they just cannot throw skilled and loyal personnel on the scrap-heap

"They may have lost their jobs through no fault of their own

"Outplacement is becoming an important part of many companies' social responsibility programmes "

HIS company uses the latest psychological techniques — modelled on a leading international outplacement agency, Pauline Hyde & Associates in Britain — to ensure that skilled top and middle management personnel are not lost to business and industry

And it's working

"Eventually, virtually all outplacement candidates referred to us by their companies get jobs," he says

"Some get even better jobs than before

"Through counselling, some find that they've been in the wrong position all the time

"We are not a placement agency, but often we are able to steer them in the direction of new positions where they progress better than in their previous career "

He calls it the pot-plant treatment

"Moving people into a new working environment is sometimes all that's needed to make them flourish "

Some, like John Smith and Peter Jones, move up quickly

For others it's a longer haul

Most times it takes four to six months before another job comes along

But throughout the waiting time, no matter how long it lasts, the candidate has the company's professional counselling and resources, including full office services, at his command until he finds a new position

Mr Macdonald says his company does not find jobs for executives — it equips them with the skills and the psychological know-how to find jobs themselves

"Persuading a R300 000-a-year chief executive, who has always been on the command side of the desk, to re-learn interview skills and how to write a CV isn't easy," says director Barrie Jack

"They're the ones who are used to asking the questions and demanding the answers

"For some retrenched senior executives, coming to terms with that reality can be hard

"But that's what outplacement is all about "

THE sometimes costly bill for professional outplacement counselling — and all the support services that go with it — is paid for by the company doing the retrenching

It's a kind of final "thanks and farewell" gesture.

"The fact that companies are prepared to pay substantial sums to help retrenched personnel find new jobs is a tribute to the executive being compelled to leave," says Mr Jack.

"It is also good human relations

"Those left behind will judge management on how they conducted the retrenchment "

TRENDS REPORTER

Staff's assessment keeps the boss on his toes

B Day 10/3/92 (172)

FIONA THOMPSON

FROM time to time, John Ainley would turn and gaze out of his office window when listening to a colleague who had called in for a talk He had no idea why he did it Similarly, he had no idea of the adverse impact his window gazing was having. Until, that is, one of his colleagues told him.

The opportunity to make the small, but by no means insignificant, point arose as part of a radical scheme of upward appraisal — in which staff assess their managers — launched by W H Smith, the retailer, in late 1990

It was, in fact, Ainley who was responsible — as the company's personnel manager — for suggesting and implementing the programme. It now seems blindingly obvious to Ainley that this is an untapped source of information Who knows the quality of a manager better than those who are managed?

W H Smith and BP Exploration have so far taken the plunge and several blue chip companies are actively considering similar schemes.

The prevailing attitude in many hierarchical companies is that only bosses are entitled to assess the performance of staff. That the staff should also have informed opinions about managers seems daring That they should be asked to make formal assessments of their bosses might appear revolutionary.

Ainley has been approached by 500 companies about upward appraisal "They share the fear that we had If you're asking the staff what they think of your managers, you're asking them what they think of your company. And I think you need to be a brave company to take that decision," he said

For Ainley, the assessments presented an obvious solution to a problem. In the light of demographic change and the need to retain experienced employees, the company wanted to reduce staff turnover. It also wanted to attract new people

A survey of employees established that the attitude of individual managers was the most important factor determining whether staff felt W H Smith was a good place to work Upward assessment was initially introduced on a voluntary basis but it was soon extended to a full survey of all 400 senior managers

From the outset, managers were keenly aware that their jobs involved making tough decisions — not calculated to make them popular. And yet they were being judged by those who felt the effects of the decisions What is more, coming under scrutiny in a survey which was conducted anonymously presented a golden opportunity to the disaffected to air their grievances

W H Smith devised its own survey, internally. It asked members of staff to rate 32 characteristics of their boss on the attributes of a good manager They were also invited to place in order their choice of the top six qualities of a good manager

"We found that the staff was very understanding of the fact that a manager's job is not just to be a nice guy all the time," says Ainley The survey revealed positive messages about the managers' skills in decision-making and running an efficient ship

More question marks were raised over their abilities to deal with personal relations and to motivate individuals "It certainly has made managers consider very carefully the way in which they relate to their staff"

The company, in turn, has identified a basic need for what Ainley defines as interpersonal skills training the ability to discuss personal difficulties, to talk openly and honestly at an early stage when performance problems arise, to make the most of individuals who might otherwise be written off — but who might instead be "turned around"

The findings of the survey were relayed to the managers themselves, their immediate bosses and to the MD — but not automatically to the staff who had taken part It was left up to each manager to decide whether to follow through the survey with his or her own team, with between 40% and 50% opting to do so.

Ainley reckons many more will do so when the next study is carried out Many of those who chose to discuss the findings apparently found it a valuable, barrier-breaking exercise How else do you thrash out questions like the tricky business of window-gazing?

It can be a cleansing experience, says Joyce Willard, senior consultant at Forum Europe, which advises companies introducing upward appraisal schemes Further, it could also be a hurtful one, unless well handled

The type of exercise conducted at BP Exploration, advised by Forum, is devised to overcome that risk with a neutral "facilitator" on hand to ensure there is a constructive debate which does not descend into petty personal point-scoring

"The follow-up team meetings can become quite personal," says Willard.

"The examples will get closer and closer to reality But that's the interesting thing. When a manager begins to hear those examples, ususally they don't take it personally Rather it's 'Oh, is that how you understood that? I didn't mean it that way' "

Willard maintains that upward assessment providing this sort of feedback brings proven benefits to companies undertaking such exercises And to the individual manager, being assessed?

"Overwhelmingly," she says — Financial Times

LETTERS

Dear Sir

Dear Sir

More black graduates are moving into better paid jobs

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STAR 10/3/92

By Derek Tommey

Black, coloured and Asian men are moving into senior jobs, a survey by the Human Sciences Research Council (HRSC) shows

But the number in these posts is still small when compared with the total non-white population and the number of whites in these positions.

The survey, conducted last April, was aimed at determining the incomes, occupations and positions occupied by non-white male graduates and women graduates of all races

White male graduates were excluded from the survey.

Survey sample

Postal questionnaires were sent to 95 921 graduates 29 109 completed questionnaires, equal to 30,3 percent of the sample.

The HSRC says the response rate was relatively good for a postal survey in which data concerning income were gathered.

It can be accepted with a reasonable degree of confidence that the findings give a good indication of occupational income, says the HRSC

Altogether, 21 283 Asian, black and coloured men were invited to participate in the survey, of whom 4 616, or 21,7 percent, responded.

The survey found that about half of them were employed in education-related jobs.

Another nine percent were in medicine, five percent were accountants and auditors and eight percent managers.

The survey (see table) gives the median income of the various types of employment, which indicates that half those surveyed earn less than this figure and half earn more

Although the median salaries of employees in the public and private sectors do not differ much overall — R49 300 for the public sector and R49 800 for the private sector — there are fairly large differences among occupation groups

The median annual salary of the self-employed was R84 000, which was considerably higher than that of employed people

But the HSRC says self-employed graduates mostly worked longer hours and that there was an element of risk attached to their occupations.

It could also have added that the self-employed seem slightly older than those in private or government employment, suggesting that they are rather more experienced

This brings up a notable aspect of the HSRC survey, which is that most of the participants were in their late 30s

The median age of government employees (Gov) was 39 It was 33 for private-sector employees (Pvt) and 41 for the self-employed (SE)

This would seem to reflect that the public and private sectors only recently opened their doors to blacks and others

But it holds the promise that median salaries for non-whites in the various occupations could appreciate considerably in real terms as they advance up the career ladder

The incomes of non-white graduates run reasonably parallel with those of white graduates

The biggest earners were the 49 medical specialists, with a median income of R140 000 and 25 percent earning above R177 400

Then came chartered accountants, with an income of R100 000 and 25 percent earning more than R150 000.

Company directors were next, with a median income of R114 000 and 25 percent earning more than R140 000

Occupation	No.	Employer	Median income	25 percent earn more than
Engineer, technician, architect, etc.	25	Gov	48 000	57 800
	79	Pvt	59 800	73 100
	15	SE	76 000	96 000
Engineer	20	Gov	54 300	58 500
	63	Pvt	61 100	75 100
Electronic engineer	15	Pvt	62 000	81 000
Civil engineer	12	Gov	56 600	58 600
	13	Pvt	66 500	76 200
Computer programmer	14	Pvt	40 800	50 200
Comp systems analyst	20	Pvt	54 100	65 400
Chemist	22	Pvt	46 200	61 000
Medical practitioner	72	Gov	66 400	79 300
	213	SE	100 000	130 000
Medical specialist	19	Gov	86 400	99 100
	49	SE	140 000	177 400
Dentist	10	Gov	69 000	78 100

Blurring the line between home and office

STAR 16/3/92 (172)

HOUSE WORK
Computers are allowing many people to work from home. Offices will never disappear but they may start to look a lot more like your home

MANAGERS who want to get more out of their white-collar workforce will be in for a shock if they seek advice from Frank Becker, a professor at Cornell University who studies the patterns of office work. His advice. companies need to devote more office space to creating places like well-tended lounges, where employees can sit around in comfort and chat.

Mr Becker is one of a group of academics and consultants trying to make companies more productive by linking new office technology to a better understanding of how employees work.

The forecasts of a decade ago — that computers would increase office productivity, reduce white-collar payrolls and help the remaining staff to work better — have proved much too hopeful.

Mr Becker, who unfortunately calls himself an "organisational ecologist", is trying to find out in a two-year study why the huge sums of money spent on office automation have produced such disappointing results

Even before completing the study, Mr Becker has firm ideas about how the office of the future should look. Technology, better communications, rising inner-city land costs (once today's property bust is over) and the trials of commuting will, he predicts, prompt more workers to split time between a central office, a computer equipped home office and perhaps a satellite office in a suburban business park.

Even the few workers based at the central office will be more mobile, moving between different work stations as their tasks change, taking their mobile telephones with them This will cut the amount of wasted office space, says Mr Becker It will also improve communications among employees by pushing them out of the tight and unchanging circle of people who sit nearby

Mr Becker predicts that the central office will become mainly a place where workers from satellite and home-based offices meet to discuss ideas and to reaffirm their loyalty to fellow employees and the company This will require new thoughts about the layout of office buildings Now, spaces for copying machines, coffee rooms, meetings and reception areas usually come second to the offices in which people spend most of the day working. Mr Becker sees these common areas gradually becoming the heart of an office.

He even believes that many central offices will come to resemble a hotel lobby or somebody's home — a disturbing thought, that, for people who find in the calm of the office a refuge from the rigours of daily life.

Managers, says Mr Becker, will also have to abandon their long-cherished notion that a productive employee is an employee that can be seen Appearing on time and looking busy will soon become irrelevant. Technology and new patterns of office use will make companies judge people by what they do, not by where they spend their time.

That does not mean the end of the office, just its transformation into a social centre.

Thomas Allen, a professor of management at the Massachusetts Institute of Technology, has studied communication patterns between people, in the admittedly artificial environment of research laboratories. His less-than-startling conclusion is that people talk to each other more when they work in close proximity Workers on different floors might as well be in different buildings so rarely do they see one another

Because buildings are seldom designed with employee-to-employee contact in mind co-workers may barely know someone a few yards away, even though they have related jobs

New ideas about offices are catching on elsewhere

By 1993 IBM's British division will have all 1 000 of its headquarters employees working in non territorial offices — places where they have no desk to call their own Digital Equipment Corp's subsidiary in Finland has equipped offices with reclining chairs and stuffed sofas to make them more conducive to informal conversation and idea swopping

THE ECONOMIST

Training and motivation are the keys to success

KEISER and Gentry sales and human resources director Debra Anne Myburgh says the training and motivation of staff are the most important factors in the company. B/Day 17/3/92.

Attention to training finds its source in K&G MD George Keiser, who comes from one of the world's top tourist destinations — Lucerne — in a country famous for its efficiency and standards of service.

K&G seeks to apply Keiser's standards to all staff.

"Our staff is our company, as the travel industry is a service one, a people industry," says Myburgh.

"The quality and professionalism of our staff affect the service we provide."

K&G's philosophy involves sending staff to courses to update them on local and international products, fares, routings and motivation.

One of K&G's specialities is arranging tours.

The company has staff who converse in various languages and are trained on the requirements for monitoring, organising, negotiating and leading specialist corporate groups into and out of SA.

The staff, says Myburgh, are trained to offer expertise from the initial inquiry to the presentation, launch, ongoing management, departure and the tour through to the return, offering assistance with teasers and promotional items.

SUNDAY

PERSONALITY

Lone Ranger with a quicksilver tongue

S/Times 22/3/92 (172)

ANGLO American's Bobby Godsell gets more done in a month than many men achieve in a lifetime And, in between, he finds time to change his baby's nappies.

Labour relations supremo Robert Michael Godsell, 39, was this week named Communicator of the Year by the Public Relations Institute of Southern Africa and the Southern African Association of Industrial Editors.

But the personal highlight of his week was not the award, but the referendum result While easing his political conscience, it will make his job smoother.

Godsell, whose ruffled schoolboy looks belie his high-powered position at Anglo, said "The result is going to facilitate the process of political transition It'll get us to an interim government quickly. It will enable management to deal with the trade unions in a more normal way"

An active member of the Democratic Party, politics is his passion. But he notes "A consequence of the referendum is that I no longer feel under a moral obligation to be involved in politics because I have a vote and everybody else does not. I can now look 20-million black South Africans in the eye and say 'Welcome to the political club, you can share the burden'"

Behind his untidy desk hangs an oddball, cactus-framed painting by Martine Margoles that reflects his personal philosophy. The title. The Lone Ranger or Against All Odds

Between the hundreds of speeches and interviews he gave last year, he found time to brief 40 overseas visitors from state departments, world labour bodies or from Foreign Affairs postings

His colleagues praise him as a man who displays outstanding negotiation and leadership skills, making major contributions at corporate and national levels.

Says Anglo's Harry Oppenheimer "Bobby Godsell has shown quite remarkable skills, guided always by an idealism and a social conscience which never loses its way and is always in close touch with the hard facts of the situation. There is no doubt in my mind that he is a great communicator."

Brian Matthew, executive director of the Midland Chamber of Industries, said: "It seems that only two people in Port Elizabeth can command full houses — Kevin Costner in *Dances with Wolves* and Bobby Godsell on the Labour Relations Act."

Boksburg-born and Durban-reared, Mr Godsell has been negotiating and bargaining between the mining industry and its employees for the past 18 years. He studied sociology, philosophy and liberal ethics at the universities of Natal, Leiden in the Netherlands, and Cape Town

BOBBY GODSELL . . . facing the moral challenges Picture: HERBERT MABUZA

The youngest of four children, he comes from English, working-class parents who immigrated in 1947

He had intended to be an academic sociologist "I made the mistake of taking a temporary job at Anglo American and then the second mistake of enjoying what I was doing.The moment I stop enjoying it, I shall return to my academic aspirations"

He joined Anglo in 1974 to carry out a one-off project on union rights for blacks He stayed, heading Anglo's industrial relations department in 1980, and rose quickly through the ranks to become executive director, industrial relations and public affairs, in 1989

"It's been my experience that defining ambitions in terms of positions or titles is not a very satisfying thing You get there, you become a director of Anglo American, and the next morning the coffee tastes the same and your kids yell as loud"

Mr Godsell is driven by an ambition to be a part of society as it faces its fundamental moral challenges — addressing racism, poverty, homelessness

"My ambition is to have as much power as possible so as to influence the way that our society deals with these challenges"

Mr Godsell is a member of the State President's Economic Advisory Council and senior vice-president of the Chamber of Mines, and will take over as president in June

Politics led to his "intellectual partnership" and marriage to industrial psychologist Gillian in 1975. They met when they were working for the Young Progressives

But nothing keeps the father of three girls — Megan, 9, Sarah, 6, and Abigail, 6 months — away from important family matters. He will shift committee meetings if one of his daughters says "Dad, I want you to be there"

He says "When I get home, there's no company I would prefer to my daughters. It beats the company of my colleagues by a long way"

Cas St Leger

SWI

Taking on business world

172

SD weekly 24/3/92

By JOSHUA RABOROKO

ABOUT 12 graduate students, armed with a unique MBA from the Information Business Training Trust, (IBTT) will go about making their mark in the business world this week

The qualification has become known as "the township MBA" as it meets the needs of informal sector entrepreneurs

The programme's official name is One-Up Business Training It is essentially user-friendly, bearing in mind that most trainees come from a severely disadvantaged background Based on simple workbooks, it consists of eight modules covering the main aspects of informal sector business management

This momentous day for the graduates has been facilitated by the Nedcor chairman's fund, whose sponsorship of R20 000 has paid for the costs of their tuition

Perm's public affairs manager Mr Theo Coggin was on hand to present the cheque to Mr Tony Davenport, the IBTT executive trustee Perm, a division of Nedcor, will become involved on the fund's behalf

"With almost six million people unemployed we need to make a concerted effort to educate the informal sector businessmen with basic skills

The SBDC estimates that this sector accounts for 30 percent of South Africa's gross national product (GNP), Coggin said at the graduation ceremony

He said "The One-Up Business Training is not just a course It covers the basic skills needed for basic numeracy and literacy in the South African context.

"Calculator skills, costing, merchandising, managing cash flow, forms part of this month-long course — skills that are sadly lacking in areas like the spaza shops "

The course costs R300 for each student. The student's fees are covered by sponsorship like that of Nedcor

A package of skills to increase controls

(172)

B/Day 31/3/92

IN THE prevailing economic climate, it has become more important than ever to have specialised management skills to maintain tight controls

This was one factor which was considered when CUAL recently formed a subsidiary to handle all its claims recovery work. It also offers a comprehensive financial management support structure for clients — and clients' clients

The recovery company, named CUAL Management Services, has been staffed with qualified and experienced credit and financial personnel

CUAL believes that the reserve for pending claims and potential recoveries on paid claims can be regarded as an asset rather than a liability, if professionally managed.

Specialised

The services offered by the new company are not restricted to loss recovery work It offers specialised management services which include consultation on all aspects of cash flows, management accounts, business plan projection and system analysis

Services also include accounting and taxation (with staff available to write up accounts and books), year-end financials, salaries, and to give VAT advice

CUAL Management Services can also help when it comes to raising finance, preparing and collating loan applications and presentations, and assessing and preparing for mergers and acquisitions

Liquidations and credit management services are also available

Experts to speak at conference

(172)

S Times [Cape Metro]

TOP speakers will address delegates at a conference on "Opportunities and responsibilies of South African business" to be held at the University of Cape Town from April 13 to 15 by AIESEC — the French anagram for the international association of students interested in economics and management. 5/4/92

The association has a membership of more than 70 000 in over 70 countries and helps students acquire skills and knowledge through management education and practical experience.

Subjects to be covered at the Cape Town conference include South African business in the new political arena by Max Sisulu of the ANC, The labour/capital trade off by Prof J Lombard of the Development Bank, Aids and the economic implications by Dr Malcolm Steinberg; Opportunities in the informal sector by Dr Morley Nkosi of Nafcoc; Market expansion into Africa by George Tickle of GT Exports and Francine Baudecker of Safto, and a Western Cape case study by David Bridgman of Wesgro

The topic "Why should business care about the environment?" will be discussed by Martin Rosen of Pick 'n Pay, Dr John Raimondo of the University of Cape Town, Dr Kelvin Kemm, editor of Green and Gold, and others

There will also be a debate on "The international business ethic — is it too late to catch up?"

Guest speaker at the formal dinner will be Raymond Ackerman, chairman of Pick 'n Pay.

Further details available on ☎ (021) 650 3519

I'll pat your back, you pat mine

ST Times 5/4/92 (172)

It's not what you know, it's who you know — an old cliché that's stood many men in good stead for most of their working lives. Now women have climbed onto the networking bandwagon. LINDA SHAW discovers just what it means to wear an old school tie

YOU can stand on your head Or hold your breath till you turn blue, but you will never gain entry to the coveted male preserve of the Johannersburg Rand Club unless you have the right credentials And only the initiated know what those are

It's not the only one. Exclusive clubs available only to "like-minded individuals" are among the best avenues to upward mobility in the corporate world

The Executive Women's Club is a female variation on a theme. Only senior management may join and, even then, by invitation only

Club co-ordinator Marilyx Stafford-Mayer says the club's purpose is to "provide strong networking and support systems for women in senior positions"

Club president and MD of Expeditors International, Wendy Vorster, adds "We are not obliged to give members our business But if there is an obligation, it is to see them first and listen to their story We don't have golf club facilities like men do, so we need to formalise our networking operations."

But, says Wendy, the club has another function. "We need to cultivate mentorships Unfortunately there still exists among women what I call the Queen Bee syndrome. The queen sets up her hive, after many years of struggle, whereafter anyone coming near her gets stung to death We'd like women to understand the mutual value of helping each other out

"When I started out, for instance, I tried to be a pseudo-man, dressing in pin-striped suits, cutting my hair and making bad jokes Now when I see younger women doing that, I point out that it's not necessary I've been there myself, so I think I can offer real help"

An international businesswoman, South African Cyndi Kaplan — now resident in Australia — has written a book for aspirant female entrepeneurs In *There's a Lipstick in My Briefcase*, it's suggested that men are happy to help each other out and do mutual favours on a long-term payback basis But women, says Cyndi, "are afraid to ask each other unless they can return the favour immediately This is a very short-sighted view"

However, as Cyndi points out, women's networks operate very efficiently within the domestic arena Lift clubs, book clubs and babysitting afternoons allow mothers rotated free time "So it's not as though women don't know how to make use of each other in a win-win situation They just need to apply the same principles to their business lives"

Setting up female networks is only part of the solution The next step is to become accepted in the male arena

Wendy Vorster says she was recently invited to join the Institute of Directors, on the basis, they claimed, that "they needed more women to balance the numbers".

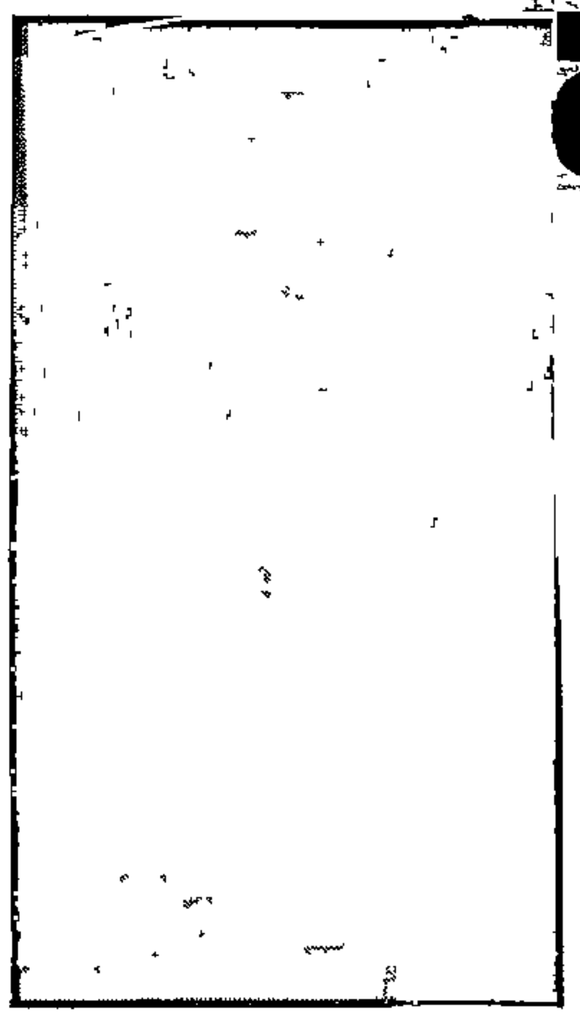
"Here's where I have to rely on my own attitude, and retain my sense of humour I could reject the organisation on the basis that they're employing tokenism Or I can look at what the club can do for me — and how much I have to offer them"

CYNDI KAPLAN agrees "Many women offer men mixed messages and become outraged at the outcome Women wanting to make it to the top must be very clear about how they see themselves and who they want to be"

Since women are generally not offered the option of joining the guys on the golf course or meeting them in the pub, Cyndi suggests they find meeting arenas they're more comfortable with

"Charities are wonderful places to meet top people. Nearly every captain of industry is involved in at least one Otherwise there are trade exhibitions or business seminars — occasions not related to either sex, but very specifically related to levels of interest"

Not all women agree Communications consultant Rene Richards feels the issue is being exaggerated



CYNDI KAPLAN ..women often give out mixed messages
Picture: SUE KRAMER

"Women don't need to join female clubs That just emphasises the gaps I'm convinced individual progress is entirely dependent on attitude. I started in journalism at a time when there were no other female journalists But I always regarded myself as just a person doing a job And I was treated as such"

HOWEVER, accountant Les Prout-Jones says women operate differently "I've had lots of women working for and with me I don't think they'll ever understand the concept of camaraderie — a principle which allows for intimacy between acquaintances

"Guys you meet on the golf course are good friends — within tacitly understood boundaries Women tend to involve themselves either in close friendships or rivalry. Maybe it's the gossip factor that damages their chances"

Whether that's true or not, the situation is changing rapidly And, as Cyndi Kaplan concludes "More than ever before, the world offers limitless scope for the determined woman with a will to stick to her goals And in the meanwhile, if you have to walk on thin ice, you may as well dance"

Student numbers rise at new R40m campus

B/Day 9/4/92

LINDA ENSOR

CAPE TOWN — The new R40m Breakwater campus of the UCT Graduate School of Business had facilitated a considerable increase in student intake, school director David Hall said in an interview

The campus was opened yesterday by UCT chancellor Harry Oppenheimer

Situated in the renovated Breakwater Prison building overlooking the harbour and waterfront, it was designed and developed at great speed within 12 months of approval Development funds were raised from the private sector.

The number of full and part-time MBA students had increased by 114% between 1990 and 1992 when the first students were enrolled at the new campus, Hall said

About 1 200 people had enrolled for the executive programmes this year, and 27 for the Aim managerial programme for the educationally disadvantaged

MBA programme director Kate Jowell said there were 86 fulltime MBA students enrolled this year, compared with 66 last year The school also offered two part-time programmes with 47 and 35 students respectively, compared with the one programme last year (172)

Jowell said many MBA students from Israel, Germany, the US, Canada and Britain had enrolled this year and inquiries for next year's course were now running at about a third higher than at the same time last year

Oppenheimer said the Aim programme, which took special account of the needs and problems of those disadvantaged by apartheid policies of the past, would assist in developing entrepreneurs and economic growth He said it would contribute in an important way to the elimination of injustices and the redistribution of wealth

Oppenheimer also stressed the importance of business courses giving equal attention to developing literacy and numeracy skills, as these were equally important in business

UCT vice-chancellor Stuart Saunders said challenges facing universities in the nineties were to achieve a high quality of teaching and research at undergraduate and postgraduate level and to ensure increasing numbers of black students enrolled and succeeded at university He said a great deal more had to be done to increase the intake of black students in the faculty of commerce and the business school

follows

RS
% EFFECTIVE* RATE P.A.
5,64
6,17
7,76
11,57
12,13
13,24
14,36
14,36
15,50

IVIDUALS

Starting a business: now the head-hunting

STAR 11/4/92

(172)

Adapted from "Starting and Running Your Own Business", published by the private business services division of chartered accountants KPMG Aiken & Peat.

CHOOSING the right people, particularly if you are operating in a service industry, is central to the functioning of your business

In this series we will set out ways of attracting the right people, assessing their abilities and making sure you do not fall foul of the complex legislation relating to the employment of people

You should note that you will need to make a substantial investment in choosing the right people in the form of time and/or money

You may choose to use an employment agency to reduce the workload, but this may be expensive because agencies typically charge between 10 and 15 percent of the employee's first year's salary package as a fee

Alternatively, you may choose to do the advertising and interviewing yourself which, obviously, will be time consuming

From replies to advertising, draw up a short list

Leave sufficient time for an interview Selection is as important to the prospective employee as it is to you, especially if the applicant is entering a business with no proven track record

Prepare an outline for the interview, but be flexible

You should have a brief set of key questions, but let the candidate talk about himself or herself. You will discover much more about him or her that way

You should be looking for

- The level of technical expertise in the field of your business
- Loyalty to previous employers — beware of applicants who have changed jobs frequently or who emphasise minor grievances about past employers
- Current salary and how it compares with the package you are offering
- The candidate's long-term aspirations

The candidate probably has applied for other posts you need to make a special effort to sell your bisiness to him

After the interview, follow up references by telephone if possible, but make sure you have the candidate's express permission to do this.

A key question to ask a previous employer is "Would you re-employ the candidate?"

Send an offer letter (including detailed information about the package offered) to the successful candidate without delay

Remember that this is likely to be the basis of a formal contract of employment so be careful about the wording and content

After interviewing prospective candidates, politely inform those not chosen as soon as possible you may need their help or custom some day.

You now need to make sure the staff you have enlisted are kept happy by continuing or increasing the motivation and standard of living they had at the outset

Keep employees, especially key people, informed as to where they stand and what their progress in the company is likely to be

A high staff turnover can create havoc in a small business and is extremely expensive

Harry O backs new business programme

S/Times

Cape Argus 12/4/92

THE Associate in Management (AIM) programme launched by the University of Cape Town Graduate School of Business (GSB) deserved the support of the private business sector as it helped business people disadvantaged by apartheid

This was said Mr Harry Oppenheimer, chancellor of UCT and former chairman of Anglo American Corporation, when he formally opened the new GSB Breakwater Campus on the Waterfront this week.

"The programme aims at rather younger members than does the Master of Business Administration (MBA) course, and takes into special account the needs and problems of those who have been disadvantaged by the restrictive apartheid-orientated policies of the past," he said

"This is just the sort of initiative that is urgently needed to develop entrepreneurship in a broader way and to help the economy grow

"It will contribute in an important and practical way to the gradual elimination of inequalities and injustices in our economy."

The down side of downsizing

STAR 13/4/92. (172)

DOWNSIZING became a management buzzword in the '80s, when it was on the lips of every firm hoping to present a cuddlier image of the harsh business of cost-cutting by sacking people.

As companies have struggled to contain their labour costs in the face of recession, downsizing has come to be a catch-all term for plant closures, eliminating whole layers of management and even subcontracting large amounts of a firm's operations.

Take General Motors It is doing all of those things after losing $8,7 billion (R25,2 billion) in North America last year

That will mean closing 21 plants and cutting 74 000 jobs, nearly a fifth of GM's American workforce

A new survey by Right Associates raises doubts that all the cutting and slashing have achieved much

Of the 1 204 American companies it polled, threequarters said they had downsized at some point during the past five years

Of those, close to a third had handed out pink slips telling workers that they have been sacked to more than 500 employees

But threequarters of the firms that had downsized said their financial performance had not improved

Only 18 percent of the firms surveyed bothered to explain to workers how job cuts fitted into the firm's future plans.

Around 75 percent of those employees who survived the cuts felt insecure Raising productivity while morale slumps is not easy

The biggest snag with downsizing, however, may be that most companies have little idea why they are doing it Fewer than half of Right's sample saw their cuts as part of a more wide-ranging overhaul

THE ECONOMIST

Council jobs safe

WILSON ZWANE

EMPLOYEES of the National Road Safety Council (NRSC) will not be affected by the Transport General Amendment Bill tabled in Parliament on Monday which effectively abolishes the council

The Bill proposes that in the place of the council, the Transport Minister determine road safety, with the Transport director-general taking over the council's functions. B/Day 15/4/92

An NRSC spokesman said yesterday no employees would be retrenched. "We have about 150 employees and they will all be absorbed by the Transport Department when the council goes"

The council's abolition was among recommendations made by the Commission for Administration following its investigation of the Transport Department

SAIM president is named

B/Day 15/4/92 (172)

THEO RAWANA

ANGLOVAAL industrial and community relations director Zulu Wells Ntuli yesterday became the first black president of the SA Institute of Management (SAIM)

Ntuli, 46, appointed to SAIM's highest office at the institute's AGM in Johannesburg last night, had been chairman of its development board for the last four years

"Wells Ntuli has earned his new role by virtue of the considerable achievements in the development board over the last few years We are proud to have him head our organisation," said SAIM executive director Morris Cowley

Ntuli was a participant in the executive development programme at Havard Business School in the US, and holds a bachelor of administration degree from Unisa

His awards include the Outstanding Young South African Award from Jaycees (Durban 1975), USA Exchange Award from Usis (1975) and the Presidential Award from the institute of Personnel Management (1987)

Ntuli's portfolios include the chairmanship of Protec and directorships of Katlehong Industrial Properties, Janssen Pharmaceutical and Palabora Mining

He also serves on the Seifsa Council and board of management, the SA Board for Personnel Practice, the Board of Governors of the Urban Foundation, the Regional Council of the US/SA Leadership Programme, the Black Management Forum, the selection Committee for Rhodes Scholarships in SA and the advisory committee to the Centre for Policy Studies at Wits University

Ntuli succeeds John Simpson of Cape Town as president of SAIM

Cultural keys can unlock SA's business kingdom

South 18/4 - 23/4/92 172

'White' and 'male' seem to be requirements to enter the world of business dominated by western culture But what is needed is adaptation of these cultural values, argues **Morakile Shuenyane**

UNTIL FEBRUARY 2, 1990, the South African corporate world in general was perceived to be light years ahead of the government's ossewa pace and its out-of-sync adaptation to the dynamics and demands of the day

Today the business world finds itself wobbling far behind the government's strides, and without the excuses of yesteryear.

The reason is simple. There is an obvious absence of blacks in key corporate positions. The front door may be open, mainly because companies' mission statements and chief executive officers say so But inner doors are firmly locked with chains made out of cultural values etched out of only one cultural base — western culture And middle management keeps the keys

The access phrase is simply "white and male", not necessarily in that order Blacks and women are still spectators

Boardrooms of the corporate world are full of so-called affirmative action experts All they have to say is a combination of the following phrases "We would love to include them, but there's a risk of dropping standards", "They are not yet ready, experience takes time", "Bantu education has crippled their thinking capabilities", "They have unrealistically high expectations", "Their culture has not prepared them for the cut-throat challenges of business", "We should make sure they fit in otherwise there will be more damage caused", and so on

When one analyses those points phrase by phrase, they are found to be contradictory nonsense If the cornerstone of sound business is to be customer driven, and black people continue to be a force in that area, a question automatically follows who should fit in where?

What is needed is the adaptation of some current cultural values which drive the wheels of industry to some of the ubuntu-botho qualities (of African culture) which can lubricate the effectiveness of business.

A major problem with South Africans is our strange culture that wastes a lot of energy highlighting areas where we differ rather than solving problems and building on commonalities

When we look at Japan, for example, we tend to ignore all the lessons from their ubuntu-botho manner of doing business and make a mountain out of their monolithic culture, in the process giving reasons why we should not learn from their experience

There's a tendency to equate Japanese small business to our small business The irony is that the Japanese classify their small business in terms of the number of employees and not the turnover

That angle automatically triggers a people-orientated approach to business, and it becomes the employees' responsibility to ensure the growth of their companies to make more room for other work seekers. In the African culture that is called the ubuntu-botho approach.

Affirmative action in subcontracting should be seen in this light. It is not about a drop in standards of acceptance of inferior work. It is about giving races which have been kept out by laws and prejudice a chance to play a role in the development of the economy and to address the unemployment situation.

MORAKILE SHUENYANE: Manager of Corporate and Strategic Affairs at Engen

There is nothing wrong about holding the hand of a person who can't walk on his own, but there is a lot wrong in hanging onto that hand when he is ready to run on his own. It takes a non-paternalistic instinct to know when to let go

The creation of an environment healthy for growth requires strong partners to acknowledge that there are things they can learn from financially weaker partners. This is the natural humility that is embedded in ubuntu-botho philosophy

It has uncomforting implications for relations between small black businesses and big white business.

One is tempted to conclude that western culturally-inspired business ethics regard humility as a weakness, while the ubuntu-botho influenced values regard it as an essential element of doing business.

While value is the bottom line in the average corporate culture, the ubuntu-botho approach will emphasise relations Once those are in place, attention will shift to the bottom line

It is a pity that many black businesses experience financial problems during the initial stage while the focus is still on building relations, sometimes at the expense of the bottom line

This gives critics of the ubuntu-botho approach to business sufficient reasons for shooting down practices which have diverted from western norms

Throwing people in at the deep end is different to allowing them to swim at the deep end. Often those who are not ready to tackle the deep end are thrown in, and their failure is then used to discourage those who are ready to swim there.

Unfortunately this has been the culture of the corporate world. And anecdotes doing the rounds in boardrooms are always about those who drowned rather than those who succeeded.

In Japan one hears many stories about unions which pushed for a cut in wages because their companies were running at a loss, and about those who opted to go without pay until the companies were out of the red.

That is also an ubuntu-botho approach The fact that it is not practised in South Africa does not make it a foreign ethic to blacks

The problem is that we have shed many of our ubuntu-botho qualities to fit in with the western mode of doing business

The traits we display as blacks are largely influenced by the dominant western culture, and what we have assimilated are the essential qualities for survival. Of course, with whites giving the cue.

It is for those reasons that the success of affirmative action should not be viewed in isolation.

(Morakile Shuenyane is Manager of Corporate and Strategic Affairs at Engen. The article was published in the latest edition of Die Sind-Afrikaan in a focus on black business)

Involvement at all levels is crucial

B/Day 21/4/92 (172)

AS INTERNATIONAL doors open for SA, management in this country will have to brace itself to play in a viciously competitive global market

Quality, for many years a buzzword, has not received proper attention, says Synergy Consulting MD Roy Marcus

"Over the past 40 years, one of the reasons for US manufacturing businesses losing their competitive edge has been the inability to focus management attention on the quality issue

"Top management's failure to take charge of quality has been identified as one of the single most serious problems facing the US in recent years

"Now US management is starting to take a much closer look at the quality revolution They have realised, perhaps too late, that one of the reasons the Japanese have taken large chunks of the US's traditional markets has been because of the Japanese obsession with quality"

He says one cannot pay lip service to quality It is a core philosophy which moves from the highest echelons of management down to the lowest levels in an organisation

"But the concept of negotiating with low levels within an organisation is foreign to many SA managers Too many organisations are still obsessed with autocratic management styles The companies we will recognise as part of the new SA in terms of improving bottom-line profits in spite of deteriorating economic conditions, are the ones which have realised the secret of success today, is the implementation of management processes which allow negotiations across all levels within organisations

"The problem is not unique to SA, and while the US is starting to take note of the concept of worker empowerment, their European counterparts still have a long way to go In many cases Europe lags a decade behind the US, and for the Europeans to become competitive, a similar move is needed"

Looking at worker empowerment, Marcus says getting employees to support a quality programme can be hard at first

"Managers who have been involved in autocratic management processes find it more difficult than the employees

Commitment

"A common language must emanate from the CE downwards

"The common thread is commitment to output which is easily measured, easily understood and which provides employees with an opportunity of being monitored against agreed performance criteria Implicit in the process is the need to provide an adequate reward system

"This ensures the person, on attaining his objectives, can recognise the benefits of working smarter, commitment to team spirit and being able to have his say in the management process"

Marcus says fundamental to successful implementation of a quality programme is the need for the quality revolution to start at the top The process starts with the CE involving himself in negotiations with his senior executives

The negotiations centre around identifying the key outputs which make the business successful

In a recent survey on managing for quality, Business Week concluded that in most companies "there are quality efforts, but something is missing"

Pronouncements from Executive Suite fall flat Sceptical workers pay little heed Management resist and get caught up in deadlines and turf battles Or a programme does catch on — then dies in a few years"

"Managing for quality is not easy It requires active, unwaving leadership from the CE, organisational change of the largest order — and time"

Firms in the black sector have to go extra mile

Sowetan 24/4/92

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By JOSHUA RABOROKO

BLACK managers are excluded and have never wielded power in the boardrooms of big businesses because of apartheid, the managing director of Afsure Insurance Brokerage, Mr Kehla Mthembu, said yesterday.

Addressing a conference of the Institute of Marketing Management on the theme "How to succeed in the black insurance market", Mthembu said apartheid had over the years dictated to the corporate world not to practice principles of equal opportunity

He said there was a "glaring absence" of blacks in management structures and obvious exclusion from the boardrooms of most companies

While big business pleased "the apartheid masters" by implementing vexatious laws, it also had a fair share in the economic exploitation of the black majority.

"This state of affairs has seriously disadvantaged a number of blacks in terms of acquiring skills and resources in order to get into business, especially the insurance market," he said

An extra mile

He added that any company that would like to get into this market must of necessity accept that it was a development process It must appreciate that running an extra mile was prescribed more than being voluntary.

"It is like going to Heaven We all want to get there, but we do not want to die So there is a price you have to pay," he added

He urged companies to develop infrastructures that involved all sectors of the community By so doing, he added, they might be ready to tackle the developing markets

"Gone are the days of companies having a black marketing department manager, a white man, by virtue of his being able to speak Zulu becoming the black market guru.

"Let marketing be the cornerstone of the culture of the business, then that concern will reap good fruits," he said "I need to stress that black people must be in all sections of the company, not just marketing "

Insurance companies operated in a hostile environment in the developing markets This market, had over the years developed certain institutions which made it to survive apartheid

Awards for 'doing the right thing'

Sowtl 25/4 - 30/4/92

The Black Management Forum hopes to ring in the changes with its push for affirmative action (172)

COMPANIES ARE to fall under the scrutiny of the Black Management Forum (BMF) when it launches its push for more black managers in the Western Cape

"We are at a stage where corporate South Africa cannot do without black managers," said Mr Humphrey Khoza, chairman of the Cape branch and national deputy president of the BMF, at a press conference this week.

And at a function on Friday, the BMF will announce its new corporate awards scheme for companies "doing the right things for the right reasons"

Mr Khoza said the BMF's role was to redress the imbalances created by apartheid — both in political terms and at the workplace This could be done by developing black leadership in the community

"Affirmative action is the creation of a conducive environment for committed and able encumbents"

SOUTH marketing director Mr Hilton Veldsman attended the press conference this week "This is perhaps the most pro-active role the BMF has played in its 15 years of existence It wants to ensure that committed and able people are placed in senior management posts, regardless of ethnic or racial background," said Veldsman

SHOWING THE WAY FORWARD: From left, the BMF's Mr Roger Ellick, Mr Arthur Mashlatshidi, Mr Kenneth Mgqamqo, Mr Humphrey Khoza and Mr Morakile Shuenyane

The BMF will launch its strategy for the new initiative in Cape Town this week

Sounding a note of warning in an interview after the conference, executive director Mr Lot Ndhlovu said major companies could face intervention from a future democratic government if the level of black people in key management positions did not improve

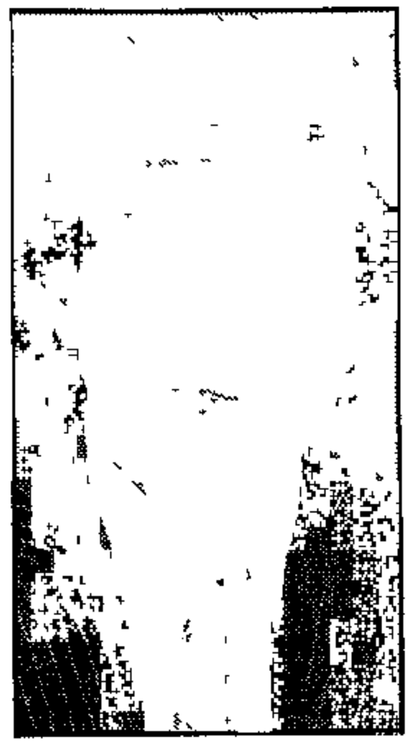
The forum has initiated a study into this aspect, which forms part of a national BMF aim to create a workplace "reflecting the demographics of the wider community"

Ndhlovu said it was unacceptable that blacks managers were present in three percent of SA companies and five percent of multinationals

The research, titled "The New Management Generation", will be conducted over two years with the Potchefstroom University Graduate School of Business

Ndhlovu said a 16-member affirmative action task group had been set up to produce guidelines which would be presented to companies in six months' time

Consumers flex muscle



TONY MANNING: "Democracy has been revolutionised."

Technology provides powerful new platform, says strategist

STAR 25/4/92 (172)

WORD of mouth was once an unsophisticated but significant aspect of marketing and a measure of a company's goodwill However, in the 1990s, the phrase had taken on a whole new meaning and marketers should contemplate it with some trepidation

So says Tony Manning, a consultant in competitive strategy and organisational development

He told a gathering of the Executive Women's Club this week that technology had revolutionised not only industry and global information transmission, but even democracy, through media which allowed people to express their opinions

In the process, it had revolutionised consumerism Customers could now take more effective action when they were victims of bad service Once they had to rely on complaints lodged with a company official or they just expressed their dissatisfaction to friends

Now they could phone a consumer help-line on television or radio and deliver a powerful message to the company's buying public, said Manning

The same toll-free number system that had opened up real opportunities in direct marketing had made public debate more feasible Manning cited SABC-TV'S Richards Bay dune-mining debate in which polling was done through toll-free dialling

The use of this mechanism for public debate could help end consumer apathy in South Africa and also promote greater service orientation in industry

"Technology-driven change overtaking the globe is creating changes that are not simply cyclical, but which are permanent, structural change," said Manning.

The lesson South African marketers could learn from the situation was not to "get caught up in the day's headlines" and to avoid taking a traditional economic view of current trends

Instead they should look at long-term, global, technology-driven implications for their industry.

Opportunities abounded, but he warned it was crucial to establish a foothold in new markets as fast as possible

"South Africans are entering a race without training In many cases, we are completely unfit It's tough out there," he said

"The world is one market for labour, information processing and for an increasing range of products and services Trading across countries and cultures is easier than it has ever been This is leading to a convergence of customer tastes and requirements

"SA has only touched the tip of the iceberg in retrenchments We can t look at recreating old jobs We have to create new ones," Manning concluded

Black Management Forum announces new award plan

(172) (KOB) (HRD)

S/Times (Cape Metro) 26/4/92

By FRED ROFFEY

THE Western Cape branch of the Black Management Forum (BMF) has announced a corporate award scheme for companies "doing the right things for the right reasons"

It will be a pilot scheme for BMF branches countrywide, and companies will be assessed on a wide variety of factors conducive to black advancement including

- The existence of an affirmative action programme
- Training and development programmes for blacks
- The scope for black promotion within the company
- Sensitivity to cultural norms and values which may not be similar to Western culture
- The existence of black directors with executive powers on the company's board, and the number of non-executive directors

Outside the workplace, the company will be assessed on the extent to which it adds its voice to broader issues, such as the recent referendum, and the degree to which it employs sub-contracting in recognition of black-managed enterprises

"It will no longer be acceptable for companies to carry on business as though they are in London, Amsterdam or Hong Kong They will have to be much more African related," said the chairman of the BMF Western Cape, Mr Humphrey Khoza

"However, we are not so naive as to think that the lack of black advancement at corporate level can be redressed immediately

Newport students graduate

Sowetan 28/4/92

By ISAAC MOLEDI

THE first 35 graduates of Newport University Study Centre in South Africa received their degrees during a colourful ceremony in Johannesburg at the weekend.

The degrees were conferred by the director of the Newport University of Germany, Mr Klaus Hoffman, at the Johannesburg College of Education on Friday night.

About 28 graduates were conferred with Bachelors of Business Administration, five with Masters in Business Administration, one conferred with Master of Arts in Human Behaviour and one with a Doctorate in Education.

Among the 28 graduates who received a Bachelor of Business Administration (BBA) degree was *Sowetan* staffer, Ike Motsapi

Newport University, which has 33 study centres throughout the world, is based in California in America.

Executive Education is the study centre of Newport University in the country

Speaking of the critical role South African education is facing, Mr Brian Richardson, the managing director of Thomas International, a leading firm in management development, described learning as a lifelong process.

Richardson said for many South Africans there has never been the opportunity of getting to the first rung — which he said was to strive for the next and the next

"This vital step needed to spur the thought of further development is self upliftment," he said

He said the tragedy of life was that "very few of us" were willing to invest in "our minds".

Pioneer ready to manage challenge

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STAR

By Charmeela Bhagowat 28/4/92

Zulu Wells Ntuli (46), recently appointed first black president of the influential South African Institute of Management (SAIM), cannot wait to "tackle the challenges ahead".

A man with many achievements to his credit, he seems well equipped to lead South African management in these demanding times.

The first black to qualify from Unisa with a degree in business administration, Mr Ntuli has steadily worked himself up the corporate ladder.

Zulu Wells Ntuli . . . has worked his way up the corporate ladder.

In 1975 he received the Outstanding Young South African Award from Jaycees Durban and the USA Exchange Award from the US Information Service.

In 1981 Anglo Vaal sent him to do a Programme for Management Development Certificate at the US Harvard Business School. In 1987 he received the Presidential Award from the Institute of Personnel Management.

One of Mr Ntuli's objectives at the SAIM is to campaign for the creation of community colleges.

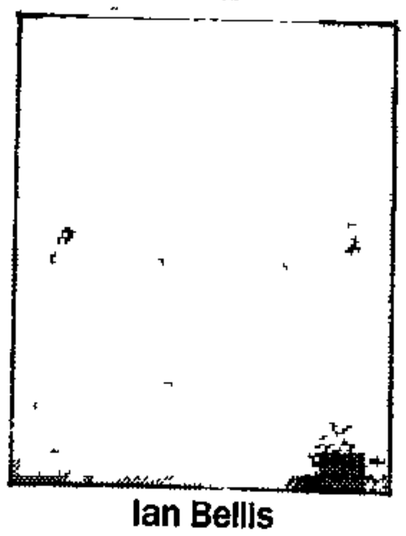
He is a director of Katlehong Industrial Properties and Janssen Pharmaceuticals and sits on a number of management boards. Mr Ntuli also sits on the US-SA Leadership Programme's regional council.

New approach needed on human resource development

(172)

STAR 29/4/92

Finance Staff



Ian Bellis

Human resource development has tended to focus on the tasks people perform too narrowly in the past, Ian Bellis, an expert in the field told the Sunday Star/Ernst and Young Business Personality of the Week banquet in Johannesburg last night.

He said "The effectiveness — therefore the range of skills in which anyone needs to be competent — is not just the technical performance of the task.

"It also lies in the skills to think about the job, the skills to interact with other people, their ability to be growing in relation to the entire context of the job."

This implied for many training departments a major rethink of how they defined what had to be learned and what needed to be trained.

Many of the measuring instruments that were used in human resource development focused too strongly on identifying weaknesses rather than the strengths that might enable an individual to make a unique contribution.

The enormous diversity of South African people meant business would have to look hard at current practices to ensure that neither "measurement" of people nor the "remedies" offered them were so culturally biased that they produced nothing of consequence.

"The way we handle affirmative action will be a major issue in this regard."

He challenged executives to reflect deeply over what they were doing and why they were doing it, to give focus, drive, passion and innovation to human resource development and to give commitment to function strategically as well as at all service and operational levels.

WELLS NTULI

Never look back

(172) FM 1/5/92.

In his dual position as director of Anglovaal's community and industrial relations, Wells Ntuli has seen his job become more demanding on both fronts

"Industrial relations has become increasingly difficult because of the state of the economy," he says, pointing out that at least one union is asking for 20% across-the-board pay rises "It's not making life any easier"

And, from the community, "we're seeing an upswing in people wanting help. Three years ago, it was a nice thing to do Now it's an imperative The needs for housing, education and health care are critical We're looking at the essentials"

As the recently elected first black president of the corporate-financed Institute of Management, he is also an advocate for increased technical education and the upgrading of managers "We need a lot more managers and they are not being developed fast enough It's a question of the education system and the fact that management training needs a lot of attention"

Ntuli (46) has a calm, intense manner that would have served him well as an attorney — which is what his father, who retired as senior judical officer in Transkei, had in mind for each of his five sons His mother retired as head of nursing services in Transkei His wife, Sheila, is also a nursing sister

But, he says, his laid-back facade sometimes cracks "These walls have heard some strange words from me," he offers with a laugh, gesturing at the rather barren walls of his office in Anglovaal's Johannesburg headquarters

Ntuli . *knocking heads with unions isn't glamorous at all*

People presume that his job of locking horns with trade union bosses is exciting, but he says it is not that interesting "It's just hard work There is no glamour and it can be stressful There is a lot of homework to do"

Zulu — as he is known at home — grew up in Maritzburg and attained a Unisa degree through Fort Hare Though he has been fortunate in his career, it was not easy to get started

"The way was not always clear and people tried to upset me I never thought I would be in this position or even dreamed of reaching it"

His first job was with the Xhosa Development Corp in Umtata Then he worked in personnel for Alcar Aluminium in Maritzburg and Associated African Personnel Consultants in Durban before joining Anglovaal in 1978

He can still hardly believe that the company sent him to Harvard 10 years ago to do the executive development programme. "They said 'We're going to pay for it and you're going to make it'"

A father of three teenagers, Ntuli also feels the burden of being a role model to the young black people he talks to as part of his job

His advice is that they should "recognise that they must be analytical about themselves and where they really fit in And then they must never look back" ■

FM 1/5/92

(172)

NATIONAL SORGHUM

Putting out fires

FM 1/5/92

Nearly one year after the privatisation of National Sorghum Breweries (NSB), the transformation of a State-run bureaucracy into a profitable business is encountering problems

In recent months, the newly appointed management of SA's biggest black-owned company has faced accusations of incompetence, mismanagement and blatant racism as it continues a restructuring programme that inevitably affects jobs — many white

The company also recently accused competitors of foul play, alleging that rivals were dumping low-quality sorghum — packaged in NSB containers — on the market in an attempt to discredit it (The company has exclusive rights to manufacture, sell and deliver sorghum beer, excluding the independent homelands and certain black areas, until October 31 1995)

(172)

The latest controversy was sparked by the decision to retrench eight senior managers, including five whites A letter, demanding chairman and CE Mohale Mohanyele's immediate resignation to avoid a strike, was circulated at the company. It alleges·

- ☐ Mohanyele is a dictator,
- ☐ The victimisation of employees is widespread,
- ☐ A witch-hunt of old employees has taken place;
- ☐ "The knowledge and ability within the company are cast aside in favour of Mohanyele's family and friends;"
- ☐ Unfair labour practices exist; and
- ☐ The board of directors is misled

Responding to the allegations, company spokesman Simon Mahlangu says the letter probably reflects the views of some executives affected by the restructuring, which, he asserts, is not geared to get rid of white management. Mahlangu says restructuring has been aimed solely at cutting costs and improving efficiency "In the process, jobs have been eliminated "

He says the company's department of human resources, previously run by three executives — one controlling industrial relations, one personnel and another training — is now run by only one executive But Mahlangu says other jobs were offered to the affected executives

He stresses that black management also has came under the chop "In Pietersburg, two black middle-management positions were made redundant along with two white positions "

He says many of those who opted for severance packages were long-time employees who had trouble adapting from the old government bureaucracy to the new business culture

Privatisation consultant Eugene van Rensburg, who is one of three white directors on the 11-member board, says it is inevitable that more whites than blacks would be affected by the changes "NSB management was originally all white "

He says the restructuring was necessary "The operation has been well managed through a difficult transition as well as an adverse market and economic climate "

Certainly the company's tight-fisted management appears to have paid off NSB has performed well It was privatised last July and in the six months to December, turnover rose 24%, operating income 19% and earnings 23%

The controversial letter claims the present success of the company is due to the work of the previous management, but Van Rensburg and others give Mohanyele much of the credit Mohanyele, a board member of Philips, Yokor and Telkom and a member of the State President's Economic Advisory Committee, has just been honoured by the UK-based International Management Centres, a postgraduate business school

One company director, Moss Leoka, says the allegations are an attempt to discredit NSB's management and must be ignored ■

Negotiate terms of your lease with care

STAR 4/3/92. 172

LAUNCHING A COMPANY: A series adapted from Starting and Running Your Own Business, published by the private business services division of chartered accountants KPMG Aiken & Peat.

BEFORE you sign a lease, read it very carefully and consult your professional adviser All terms are negotiable.

To a large extent, the lease you obtain will depend on the state of the property market at the time and on the negotiating strength of the parties involved.

In particular, can you negotiate·

- A lower initial rental?
- Reduced annual escalations?
- A rent-free period?
- Payment by the landlord for improvement or refurbishment?
- Payments by the landlord of any of the outgoings (for example, rates and taxes) associated with the property?

Weighing up conditions

Ensure that the lease clearly defines the extent of the premises being let

The term of the lease is important· A long lease may reduce flexibility. A shorter lease with an option to renew might be preferable, although this depends on current economic conditions.

Find out who is responsible for insurance, property taxes and maintenance.

How do rent, rates and service charges (on a rand/sq m basis) and annual escalations and rent-review clauses compare with other premises?

You must expect to pay a deposit (normally, one month's rental) and you may be required to sign a personal guarantee (avoid this if possible)

Remember that a verbal lease, binding on both parties, is recognised in law These should be avoided and all agreements should be in writing

Does the lease permit an assignment or the sub-letting of premises? Many do not

Remember, if the premises include living accommodation the tenants would normally be very difficult to remove

You need to consider the tax implications of your choice of premises Lease payments are normally fully deductible for tax purposes

There is an annual allowance of 5 percent on the cost and improvements commenced on, or after, January 1, 1989.

Allowances only apply to buildings used in the process of manufacture — but where the "non-manufacturing" content of the building is less than 10 percent measured by floor area, then allowances are given for the whole building You need to be careful, therefore, about the allocation of space on your premises

Next week Buying an existing business

Bitterness won't work – Japanese envoy

South 2/5-7/5/92 (172) 29

CONTINUING bitterness in the new South Africa could kill all incentive to work, says Japanese embassy official Mr Yasushi Naito.

Tokyo's political affairs officer in South Africa was speaking at the Black Management Forum (BMF) in Cape Town last week.

After World War II, Japan had managed to overcome bitterness and learn from its former enemy, the United States, he said.

Naito warned against a mentality that blamed all problems on the old "white apartheid regime".

This would inhibit the absorbtion of knowledge and skills from those who had them.

A new South Africa would have to address the redistribution of opportunities, but there was a danger of bitterness dominating this.

"The expectation of the masses for instant redistribution of wealth kills not only productivity of the industries, but also the incentive of the labour force to become productive," he said.

Explaining his country's reconstruction from "a heap of rubble to forests of skyscrapers", Naito highlighted its strong educational base.

By the time the Meiji modernisation began in 1867, literacy in Japan was between 60 and 70 percent — higher than in South Africa now.

He described the prevalence of academic competitiveness in Japan, while also noting its negative features such as pressure on children.

This culture was linked to Confucianism which preached diligency and respect for authority.

Japanese management used these morals for its formula of life-time employment in a single firm, seniority based on wages, community consciousness in the company, and decision-making by consensus.

"Employers and employees, managers and workers, co-operate in a system which emphasizes human relations and minimises conflict"

A joint consultation system had become a central labour-management practice in Japan, said Naito.

Market battles will rage in the new SA

South 2/5 - 7/5/92 (172)

'Some business people seem to think that it is going to be business as usual. No ways — that is self-deceipt'

Successful companies in a democratic South Africa will be those who are rooted in the fabric of the wider community, said Black Management Forum (BMF) chairperson Mr Humphrey Khoza last week.

Companies could find themselves "in a raging battle to re-establish their market shares in a post-apartheid South Africa", he told a BMF meeting in Cape Town

"In the battle to regain competitiveness, businesses will have to look far beyond the need to manage financial assets wisely, but will have to recognise that competitiveness is inexorably linked to the ability and effectiveness of their black staff," he said

"Some business people seem to think that it is going to be business as usual No ways - that is self-deceipt "

Khoza argued that companies wishing to prosper in a future South Africa would need to enhance the abilities and the contribution of their managers and workers to cope with the increasingly competitive environment.

There was an opportunity now to ensure an equitable redistribution of opportunity in the world of work.

"This is an opportunity to effectively balance the scales through the transfer of skills and knowledge from the privileged few to those who are in the majority in our businesses

"This is no political rhetoric or threat but a business imperative," Khoza said.

He asked companies to join forces with the BMF to put in place an infrastructure and a strategy to bring about the desired changes.

- Corporations have been placed under scrutiny by the Black Management Forum (BMF) in the Western Cape

Last week's BMF meeting announced a set of awards to be issued to companies meeting 11 criteria set out by the forum.

No brickbats will be issued, but bouquets are in the offing for firms that

- display sensitivity to non-Western cultures and values
- recognise the way different cultures can complement each other in the workplace
- have non-racial, non-sexist employment practices
- have dynamic training and development programmes
- have corporate cultures conducive to black advancement
- have affirmative action programmes that go beyond numbers games
- implement programmes that address black women and women in general
- that show the presence and impact of black executive directors
- have credible social responsibility programmes
- sub-contract to black businesses
- take a public stand on moral issues, even if this alienates certain markets.

Humphrey Khoza

By ZB MOLEFE

Getting ready to take the new SA by storm

NEWLY-nominated South African Institute of Management (SAIM) president Zulu Wells Ntuli is a whirlwind that is about to blow into the heart of corporate SA

He makes no secret that the corporate career aspirations of a large segment of the South African population are his priority The thrust of his attack is the country's "non-open" education system "which has the effect of creating many significant cul-de-sacs"

"I intend to devote my term of office to opening a public debate on this issue which will lead to public policy on an open education system for the country "

His argument rests on the current education system which, according to him, places a ceiling on the aspirations of a large percentage of the South African population – black and white

He bluntly describes the current system as something that "smacks of the restrictive policies of bantu education"

Ntuli says in SA there is no route to university open to people who have graduated through diploma courses, technikons or with work experience But countries like the UK and US award associate degrees from their universities

"These associate degrees are recognised as accreditation to enter traditional formal universities for those who wish to take that educational route," says Ntuli with missionary zeal

He should know. Ntuli is one of the key figures that saw the establishment of the innovative St Enda's Community College in Johannesburg's Joubert Park in January. The college mirrors his ideas about tertiary education

"For instance," he continues, "we will offer a diploma in business administration Now that diploma, by any account, is equal to a Bachelor of Commerce degree

"But they won't credit it as a degree, because they want to preserve the status quo "

It all comes together Ntuli has paid his dues

He is director of industrial and community relations at Anglovaal, one of the country's major mining houses

This 47-year-old Unisa graduate also comes through the ranks of the prestigious executive development programme at one of the United States' top business schools, the Harvard School of Business

Along the way in his rise through the corporate ranks he has won honours and recognition He was awarded the 1975 Outstanding Young South African Award from the Durban Jaycees

He is also a proud recipient of the Institute of Personnel Management's Presidential Award for 1987

His directorship in companies include the Katlehong Industrial Properties and Palabora Mining

He also serves on the boards of influential bodies like the Urban Foundation, Seifsa, Black Management Forum, the Rhodes Scholarships selection committee and Wits University's Centre for Policy Studies

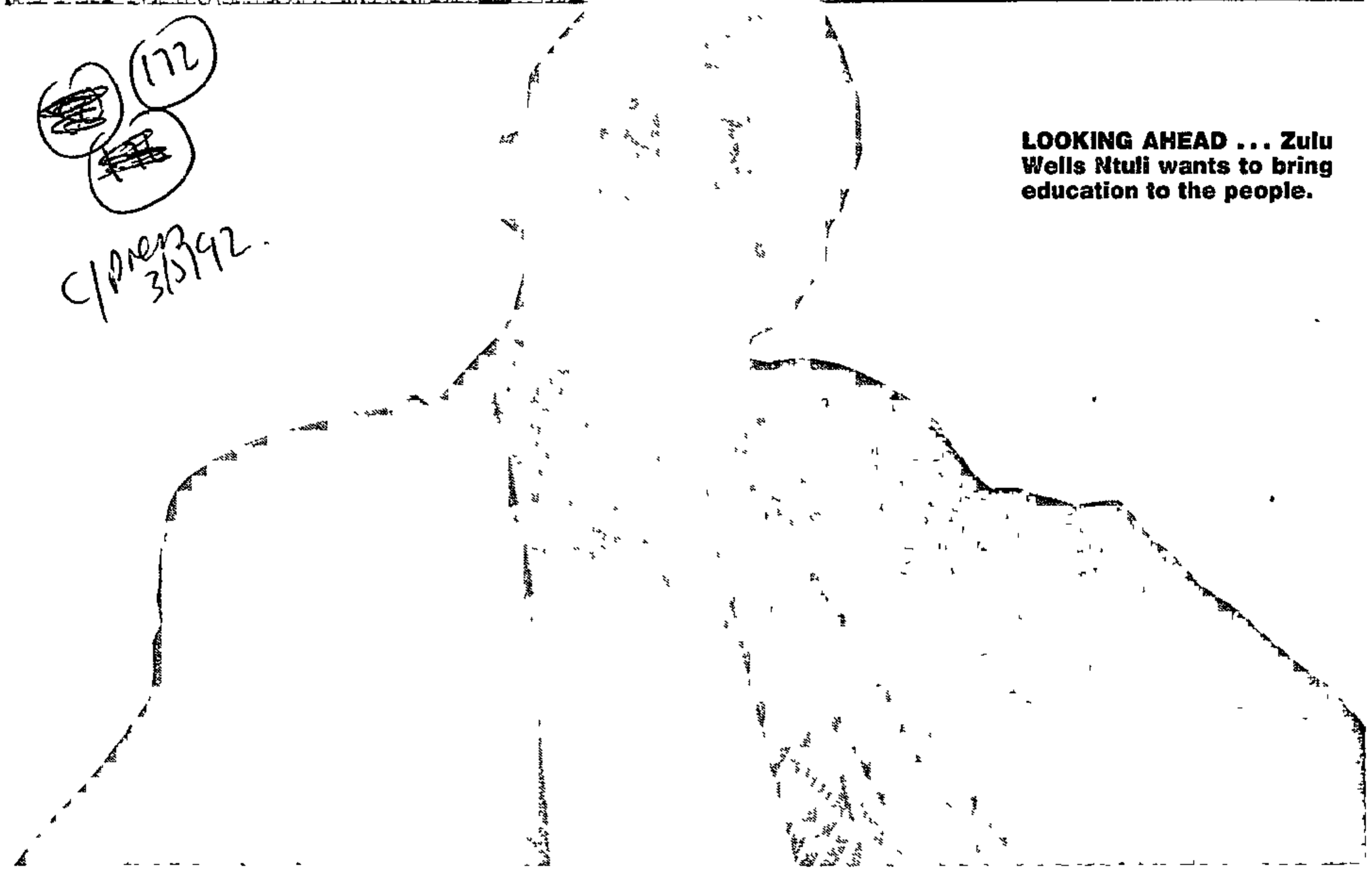
Ntuli points out that in the past blacks have sat on the sidelines, for several reasons In the past what he is doing now could have "created doubts about my credibility among blacks"

"But the situation has now changed I don't have that hang-up anymore We (blacks) sat on the sidelines because we felt inferior.

"We were made to feel inferior We were trained for nothing else but to be drawers of water and hewers of wood," he adds

The Verwoed echoes in the apartheid dream cannot be mistaken in what Ntuli is describing

His next words sum up how he sees the road ahead in the SAIM president's seat. "We've got to run with the ball That is the challenge"



LOOKING AHEAD ... Zulu Wells Ntuli wants to bring education to the people.

172

C/Press 3/3/92

Boost for

sectional title management

STAR 5/5/92 (172)

By Meg Wilson

Sectional title development company H Lewis Trafalgar has acquired management company Sectional Title Secretaries (STS)

This gives it an enlarged management division administering 285 bodies corporate in the PWV area, with about 8 000 sectional title units worth more than R900 million

John Ussher, formerly of STS, has been appointed director responsible for the division and says there is a dire need for professional property management to protect owners, residents and the buildings

He says he has seen many self-managed companies fall into an administrative shambles and take decisions in contravention of the Sectional Titles Act.

"In addition there are some small property managers operating without a Fidelity Fund Certificate, which is required in terms of the Estate Agents' Act.

"Property administration works on tight margins and management companies must offer economies of scale and ensure good financial control.

"For example, the efficient issue of a clearance certificate needed for the transfer of a sectional title unit can avoid delays and consequent unnecessary occupational rent and interest costs for both buyer and seller"

Call to fund social upliftment

B/Day 5/5/92

CAPE TOWN — The private sector could not rely on economic growth to achieve a redistribution of wealth in SA and would have to become strategically involved at the highest level in social upliftment projects, Independent Development Trust chairman Jan Steyn said yesterday

He told the congress that to substantially reduce unemployment, the economy would have to grow at levels which were probably unattainable in the short term

Political parties would be faced with a pressure of expectations from the discontented

"We cannot expect the emergent political parties in SA to ignore these pressures," he said, adding political survival would oblige them to be seen to address these needs and to do so dramatically

Steyn said it was essential that the private sector address the danger of excessive state intervention and high taxation not by simply pointing to the benefits of economic growth, but by prioritising appropriate initiatives

He urged the corporate sector to give substantial support to post-matric and post-graduate management development programmes

The private sector could also support technical and vocational training to create self-sufficiency in small-scale production to counteract the overemphasis on retailing activity in the informal sector

The private sector could also support low cost housing initiatives

Shell International Western hemisphere and African regional coordinator Maarten van den Bergh said a clarification of the future economic environment for investment in SA was urgently required

"By addressing this issue and by sending strong, consistent signals of good politics and good economics, the new SA could improve the climate for foreign and local investors"

He said raising taxes, especially corporate taxes, could be a disincentive to investors

Wits chamber to meet over demands

ADRIAN HADLAND

THE Central Witwatersrand Metropolitan Chamber will meet next week in spite of negotiations to overcome the conflict which has threatened to scuttle the forum

Following the collapse last month of the Greater Soweto Principal Parties (GSPP) group, formed to sort out the rates and tariffs crisis in Soweto, all activities of the metropolitan chamber were suspended

The Soweto Civic Association (SCA), whose withdrawal from the GSPP precipitated the local government crisis, demanded the resignation of all black councillors, greater involvement of the Johannesburg city council in the administration of Soweto's affairs and an end to township violence and the worker hostel system

Chamber CEO Vic Milne said yesterday the forum would be meeting next week

The Soweto rent boycott called for by the SCA, meanwhile, was gaining ground, TPA officials said

TPA figures indicate that only 31,3% of Soweto residents paid rent in March this year — compared to 60% in December last year

B/Day 5/5/92

Prepare teams for Europe, firms told

B/Day 5/5/92

B/Day 5/5/92

Reports by
LINDA ENSOR

CAPE TOWN — SA companies wishing to expand into Europe would have to alter and educate their management teams, Investec executive chairman Bas Kardol said at the SA Institute of Chartered Accountants' annual congress yesterday

European nationals should be recruited extensively and domestic executives exposed to the issues and subtleties of Europe, Kardol said

"In the case of Europe 1992, it will be in our interest to secure as much access as possible to the largest single market on earth The onus is upon us as SA business people to familiarise ourselves with the rules of the European game"

Kardol said SA companies needed to develop lobbying ability or face the possibility of European rules which might hurt their ventures They should position themselves to raise international capital and form joint ventures with visiting bankers and industrialists

SA could not realistically expect too much "soft money" and would have to compete for European investment on hard commercial grounds

"As the new Europe tries to organise itself more efficiently, it is becoming more inward looking Intra-European trade is receiving more encouragement than trade with non-Europeans Intra-European assistance, necessary to narrow the income gap between the rich north and the less affluent south, may crowd out the appetite for involvement in development regions like southern Africa," Kardol said

About 57% of SA's classified exports to the industrialised world went to the EC while 59% of its imports came from the community Between 1984 and 1990 the annual compound rate of growth of exports to Europe in constant dollar terms was 10,7%, substantially exceeding the 5,6% annual compound growth rate of total exports to the industrialised world

Kardol said during sanctions a trend of export switching to Europe was evident and, except in the case of exports to Italy, very limited real gains had been achieved since 1987

He said it was important to ensure that SA products met international standards

"A sad legacy of the sanctions period is that South Africans have become used to trading through the back door Many of our companies will have to develop knowledge of rules and standards set for products traded via normal channels"

Platform for change 'shaky'

B/Day 5/5/92

CAPE TOWN — The economic platform for the transformation of SA society was very shaky, and the success of the change was not guaranteed, Old Mutual chairman Mike Levett said yesterday

The weak performance of the economy was shown by the fact that per capita GDP had been declining for more than a decade, investment had dropped to unsatisfactory levels, unemployment was rising rapidly and the distribution of income was unequal

It was unrealistic to expect an average annual GDP growth rate of more than 3% over the next four years and even at this "optimistic" level, living standards would remain stagnant The real incomes of whites would continue to decline as wealth was redistributed to blacks.

Even the optimistic projections of SA's future economic growth were inconsistent with a successful transition which was rendered more improbable by the prevailing social violence, Levett said

Education to enhance the capabilities of the population to earn higher incomes was a vital prerequisite for a successful transition, Levett stressed.

The other ingredient was a switch in economic policy to one which was outward-looking and manufacturing orientated to ensure a higher rate of economic growth.

Healthy office environments crucial to costs and productivity

STAR 6/5/92 (172) STAR 6/5/92.

COMMERCIAL INDUSTRIAL & PROPERTY

Compiled and written by Frank Jeans and Meg Wilson

South African companies must take a strategic approach to environmental management in the workplace as part of the country's international economic rehabilitation.

Doing so could save them up to 40 percent on office overheads, as well as enhancing productivity and gaining a competitive edge in terms of service and cost of sales.

So says Ray Farrenkothen, MD of CentreCore Office Environments, a United States service company which helps companies raise the quality of administrative environments.

It offers products that optimise the use of office space and improve air quality, and which has set up operations in Cape Town

Businessmen here are used to regulations governing conditions on the factory floor but are not as familiar with the extent to which white collar working conditions have become a management concern worldwide.

"But Sick Building Syndrome (SBS) and its consequences are the corporate issues of the '90s — so much so that a recent European Community directive sets out minimum health and safety standards for workers using computer monitors"

It is widely known that eye iritation, respiratory problems, ear, nose and throat infections can all be traced to poor quality of office environment

The dangers of passive smoking have also been recognised.

However, there are other problems less well known

The energy efficiency of air conditioning is undoubted, but standard recirculation systems may aggravate health problems

Chemicals used in the manufacture and cleaning of carpets and furniture, dust and pollen, germs and viruses are all efficiently spread to the entire workforce

In addition, productivity is often reduced by the distubance of artificial lighting, radiation from copiers and monitors, noise and other distractions

However, says George Mitchell, president of CentreCore in the US, managements in South Africa are beginning to perceive the limitations of current arrangements, especially in high throughput areas such as customer services, accounting departments and telesales.

"The typical office layout wastes much expensive space and impedes rather than enhances teamwork. Modern techniques are also showing us the pitfalls of badly managed indoor air environments

One product already attracting much attention in South Africa is Airflow 2000, an air conditioning system in which separate units at individual work stations provide "an umbrella of clean air" for each worker.

On the positive side, South Africa is entering the field of office envirnoment management fairly late, and local managers can choose the most advanced solutions without having to go through a costly process of trial and error

Mr Mitchell says his company's clients — which include Total Oil, Saatchi & Saatchi, Hewlett Packard and the US Defence Force — typically experience saving of up to 40 percent on office space

"Our mission in South Africa is to alert business to the administrative pressures of the '90s and offer workable, measurable solutions"

Tips on running a business

AS the country's economy slackens and the rate of unemployment continues to surge, more people are forced to consider the option of "going on their own" by becoming small entrepreneurs.

Lack of acceptable employment opportunities presents the challenges of self-employment seekers, many of them are "reluctant entrepreneurs" and their number is swelling

They are compelled to rely on their own skills and resources to fulfil social and economic responsibilities The majority of them are blacks

Their prime motivation is financial survival Dreams of wealth, free of financial restraints, are tempered by the hard reality of the risks and the resources needed to succeed in today's competitive environment

There is a ray of light at the end of the tunnel for these burgeoning small business people People who do their own thing relying primarily on their personal skills have a higher success ratio than risk takers

They succeed in business because they are realistic in their goals which are set at achieving a respectable livelihood

However, they do aspire to a lifestyle that affords them a degree of personal independence Some exceed their original goals, others are not motivated to strive for more

This book addresses the critical mix of personal skills, risk and resources that contribute to the success of a new business

In particular it helps in the task of identifying the right venture and recognising excessive risk - a factor that has greatly affected black business in the townships

Ignoring the risk factor many black business have taken the plunge, resulting in financial institutions becoming reluctant to give them loans

Lack of finance has continued to hamper the creation and expansion of African business Many of these are in the informal sector which includes taxis, taverns, hawkers and spaza shops

Selecting the right venture and recognising from the onset that risk is measurable and can be managed, is the single most important decision that contributes to long term survival

Lack of management skills and insufficient finance are more frequently blamed in equal parts for business failure. However, acceptance of risk is the real culprit.

In business lack of knowledge is itself an enormous risk fortunately ignorance is avoidable. Knowledge is usually inexpensive and frequently quite easily available

Sowetan 7/5/92

Title *Success in Your Business, How to Find Finance and Manage Your Own Business*
Author Maurice Kilduff,
Publisher Garshon Publications, PO Box 304 Rondebosch 7700 SA
Price. R45
Reviewer. Joshua Raboroko

This book is specifically dedicated to minimising risk in business It traces the steps required to find the right business, buy or build this business and in time how best to dispose of it within the confines of measured risk and measured reward

It deals with evaluation, negotiation and formal documentation of business agreements

(172)

There are working examples of partnership and franchise agreements, together with details of offers to purchase and deed of sale

There are chapters dedicated to marketing, administration and the maintenance of financial records It is a handbook that leads the reader from the first thought of "going alone" to disposal and capital gain

Many blacks are reluctant entrepreneurs, seeking self employment opportunities Fear of business risk inhibits them

They have every right to be wary, but they also have an opportunity to overcome this fear by acquiring techniques how to manage risk

Managing risk does not necessarily minimise business opportunity, but it does maximise chances of success in business

The author also offers a Business Plan Advisory Service designed to assist clients to present loan applications to financial institutions in a professional manner

The service encourages applicants to do thorough market research and to compile financial support data for their proposed ventures

Expert advice needed in buying a firm

STAR 8/5/92 (172) (458) (1784)

LAUNCHING A COMPANY: A series adapted from "Starting and Running Your Own Business", published by the private business services division of chartered accountants KPMG Aiken & Peat

BY NOW, you will have begun to appreciate the work involved in setting up your own business One way of reducing this workload is to take over an existing business

To a certain extent, though, this merely introduces new problems

The major problem is, of course, what do you pay for an existing business?

Find out whether you are purchasing a limited company, close corporation (which have their own legal status), or a partnership or sole trader's business, in which the proprietors actually own the assets themselves (we have discussed legal types of businesses in an earlier article)

Here, we will examine the purchase of a business which is not a separate legal entity, and in the next article we will address buying a company or close corporation

Professional advice is absolutely essential in buying a business The valuation of a business is a complex issue and to attempt to negotiate a fair value without professional assistance could lead to considerable financial loss

The two most difficult valuations are stock and goodwill (generally, the sellers of a business will retain the cash and pay off the liabilities themselves)

If you acquire the debtors, make sure that you obtain some sort of guarantee as to their value There may be amounts due that are impossible to collect. Note that bad debts arising from debtors acquired are not normally tax-deductible

Historically, there are several basic methods of valuing a business, but it is beyond the scope here to discuss them

If the business is successful, you will probably have to pay for "goodwill" in effect, a payment for future profits that the business will generate.

Normally, goodwill calculations are based on the historical profit record. You must be aware of the way these profits are calculated before accepting a goodwill calculation as this will directly impact on the price you are paying.

For example, has an adequate amount for proprietors' salaries been taken into account and is the historical profit record sustainable in the future?

Also, are the sellers restrained from setting up a new business in competiton with yours and taking away some valued customers?

The valuation of tangible assets should reflect their "value to the business" This is particularly true in the case of fixed assets. It is unlikely that the valuation of assets in the books of business actually reflects this, and the correct valuation of assets is always an important negotiating point.

From a taxation point of view, and in order to write up your own books, the amount you pay needs to be allocated to asset categories you intend acquiring stock, fixed assets, current assets and intangible assets such as goodwill

This is the most beneficial order for the assets to be split and help maximise taxation benefits

For example, the cost of the stock is directly deductible from the first year's profit and tax allowances are given against the cost of fixed assets

Although this order is the most beneficial for the purchaser, it is least beneficial for the vendor, which once again illustrates that valuation of assets is an important negotiating point.

Of course, the Receiver of Revenue will look carefully at the values applied to each type of asset, so any vaulation needs to be commercially justifiable

Before commiting yourself to buying a business, find out as much as possible To buy a one-man business, you must be sure the sellers' contacts will transfer their loyalties to you

Before completing your negotiations, you must retain an attorney experienced in commercial matters to draw up an agreement for the purchase of the business

This agreement will spell out in detail what you are acquiring and the rights and duties of both the purchaser and vendor

It is normal for the vendor to give certain "warranties", for example, a warranty that debtors will be realised for at least the sum paid for them.

Employees of a sole trader or partnership may have contracts of employment with that business and express permission must be given by the employees to transfer their contracts of employment.

□ *Buying a limited company or close corporation*

Motor industry goes to continue

Luxury vehicles no longer cost, tax effective

STAR 9/5/92

DEREK TOMMEY

THE motor industry has been in difficulties for a number of years. Soaring new car prices, way above the inflation rate, have lost the support of the man in the street. Now its troubles seem likely to be intensified.

It appears that it is starting to alienate its last remaining market. According to Jon Cole of P-E Corporate Services, it is pricing itself out of the company car market

Company cars will soon be provided only for a very privileged few, he says.

"SA companies have been extremely generous with company cars. But major increases in car prices, insurance premiums and maintenance costs are causing them to change their car policies."

Aggravated

The bottom line is that car costs have been escalating at 25 percent a year which is way above the rate of salary increases.

Company administrators are finding that by providing a company car they are pushing their wage bills far higher than they want and, in some cases, can afford This situation has been aggravated by the current recession

"Many companies have already replaced company cars with car allowances and a lot more will follow suit"

He says company cars were feasible 10 years ago when inflation and interest rates were much lower, but are too big an expense in today's economic climate.

Many employers will take advantage of the recession to get rid of company cars so that they will not be part of remuneration packages when times improve.

However, much depends on just how scarce skilled workers are

Only five years ago a newly graduated engineer would choose his employer according to the type of car he was offered.

Mr Cole admits, however, that if the skill shortage is severe enough, this situation could possibly return

But he believes that generally, the time will come when company cars will be dished out only to the most senior executives and employees such as sales representatives who need vehicles for their work

South Africa's generous company car policies were brought about by bad public transport and pre-fringe benefit taxation legislation, but are no longer viable

The cost of acquiring and running company vehicles has outstripped salary increases and employee productivity in the past five years

So it is not surprising that company cars are on the way out and car allowances are becoming increasingly popular.

This change happened recently at a major mining house The company cars were withdrawn and all those entitled to a car were given a car allowance

The result was that company parking slots which were once full of large European luxury cars started housing large numbers of Japanese medium-sized and small cars.

This is bad news for the motor industry as many recipients of car allowances will not only trade down but are likely to look after their cars better and keep them longer.

No wonder that the motor industry, according to its latest sales forecast, has seen hardly any growth in the number of cars bought in the near and medium future

According to a report recently submitted to the Department of Trade and Industry it expects to sell only 201 000 cars this year which, while 4 000 more than last year, is some 8 000 less than in 1990

Suffer

More serious, is that it expects the demand for new cars to grow by only 27 000 in the next three years to 228 000 by 1995, which indicates a high level of pessimism in the industry

But others to suffer will be those to whom their company car was a status symbol, and who are unlikely to be able to match the current opulence of their present cars with their car allowances

Psychologists point out that in a country such as South Africa, where many people tend to judge another person's position in the community by the visible wealth he displays, having to trade down could be a serious blow to the self-esteem not only to the employee but to his wife and family

They recount the story of the schoolgirl who refused to let her father pick her up outside her school after he had been retrenched, had lost his company car and had to use the family runabout The daughter insisted that he picked her up around the corner, away from the sight of her school mates

But who knows, perhaps in the "New South Africa" where the emphasis could be on wealth re-distribution, the possession of a posh car might no longer be as desirable at it was in the past.

SUCCESS STORY: PAM GOLDING

Chance leads to an estate agency career

(172)

S/Times (Buss) 10/5/92

BY ROB MARSH

IN 1976 Pam Golding opened a small estate agent's office in Kenilworth, Cape Town. She had one employee and, at the time, was married with three children.

Today, Pam Golding Properties has offices in London, a board of directors, employs more than 400 people and is an international company comprising residential, commercial, industrial, development and rental divisions.

Pam Golding Properties has shown phenomenal growth

Pam Golding was born at Umtata in Transkei. She had a "normal, happy childhood" and did well at school. After completing her last two years at a boarding school in Port Elizabeth, she studied English and psychology at the University of Cape Town

Her parents were not wealthy and despite the fact that she had earned a bursary from high school, her university education placed considerable financial strain on the family.

After completing her bachelor's degree she started an MA in psychology. However, money was short and she was forced to leave university to earn a living.

She was employed by the student advisory bureau at the University of Natal in Maritzburg, and this was where she became interested in selling

One day a representative for The Treasure Casket children's books walked into the office where Pam was working. He had an appointment to see her boss, but tried to sell to her while he was waiting

"I quickly found out that selling Treasure Casket books was rather like selling encyclopaedias It involved cold canvassing and the salesmen earned a set commission — usually about £1 per sale"

Until that morning she hadn't given much thought to the idea of selling, let alone selling on commission, but she was fascinated by the concept.

She realised that it was a hard way to make a living, but also saw that the system had a tremendous advantage: it meant that the amount of money earned was directly related to the effort put in and the success achieved.

Not long afterwards, she started selling The Treasure Casket books herself. She was good at it.

So good, in fact that a few months later she was able to ask the company for a transfer to Cape Town.

"I had a simple and direct sales strategy I always went to the top, to the head of the business And even though I was nervous, I still managed to persuade people to give me an appointment"

On one occasion she went to Old Mutual and managed top get an appointment with the chairman and sold him a set of books for his grandchildren

He was so impressed by her approach that he gave her an office in the building for six weeks and ordered his staff to go to her. Needless to say, it was the most profitable month-and-a-half she ever spent

She used the money she earned from Old Mutual to go to England for four months. On her return to South Africa, The Treasure Casket sent her to Rhodesia (now Zimbabwe) and asked her to pioneer the selling of its product

She was 21. However, selling in Rhodesia was much more difficult because she didn't know the people and she didn't have a car

In the end, she gave up selling for The Treasure Casket and applied for a job with the government

"At that point in my life I had no long-term goals. And remember, it wasn't fashionable then for young women to have a career.

"Like most other young girls at the time, I was simply filling in time until I got married"

Pam later worked for Caltex in the advertising department of its sales promotion division in Cape Town There she met and married her husband, Cecil She was 24 at the time, and not long afterwards they started a family.

They lived in Kenilworth in a beautiful old house and it was a time she describes as a "very social period".

It was that house, she claims, that first gave her the love she has for restoring old property.

Pam and Cecil Golding had a neighbour who was an estate agent. He approached Pam and asked her if she would pass on to him the names of anyone she knew who wanted to buy or sell a house In return for this service he promised to pay her £10 commission on each deal he made

For a time she did just that Then the day came when she realised she had both the buyer and the seller

So instead of passing on the names, she concluded the deal herself. It was at that point that she realised she could treat the idea of being an estate agent more seriously

She went to an attorney, asked him to teach her the legal aspects of the business, bought a broker's licence for £5 and set herself up in the real estate business.

Initially, she worked from home and the whole thing was little more than a sideline. She was first and foremost a wife and mother, and being an estate agent had to fit into her domestic routine, not the other way around

Nevertheless, by the time her third child was born she was earning a good income from the business and was getting much busier

It was about this time that Syfrets opened a new division — Syfrets Real Estate — in Claremont, and asked her to join She did, but on her own terms, and subsequently spent five enjoyable years as part of the Syfrets sales team

When Pam started Pam Golding Properties, she was determined not to borrow any money and everything was paid out from commission earned

In the early days there were many worrying moments like paying the rent, salaries and advertising but the more they sold, the more they could advertise

Pam Golding would argue that success in the business world depends on providing quality service, maintaining high standards and employing ambitious people.

But several other factors have contributed to her success and she is convinced that one of the most important factors has been her personal involvement in the company.

"I also believe that experience can make the difference in the practical side of real estate so I never stop telling the people I work with about my own experiences over the years."

Pam remains convinced that an estate agent can make a difference in a sale and stresses to her staff that professionalism and integrity are essential from the moment the phone rings.

These are qualities which she believes are more important than training.

Of course, personal involvement and dedication can be hard taskmasters. Twelve-hour working days have been the norm for Pam Golding for as long as she can remember. But then perhaps energy, enterprise and hard work are destined to go hand in hand

● *Extracted from Business Success in South Africa by Rob Marsh and illustrated by Colin Daniel (Struik)*

MARKETING FM 15/5/92

A thesis too far (172)

The head of the SA Housing Trust (SAHT)'s marketing division has for two years falsely claimed to have a doctorate from the University of Pretoria's Business School This week "Dr" Johan Raubenheimer admitted to the *FM* that he had put SAHT's top management and staff under the "wrong impression" (The SAHT is funded by the State via interest-free loans)

In the January 1992 issue of the SAHT staff magazine, *In House In Trust*, an article states that Raubenheimer was awarded a doctorate in business administration from Tukkies in 1990 and that he is presently working on another doctorate at RAU

The article describes Raubenheimer's student career in National Party and campus politics and as coach of the university drum majorettes He is now an executive member of the Junior Rapportryers and a deacon at the Aasvoelkop NGK, the article states

Tukkies business school assistant Alida van Zyl told the *FM* that Raubenheimer had not obtained a doctorate in business administration from Tukkies But he does have an MBA from the university

The in-house magazine editor, Hennie Crowther, said that Raubenheimer and the SAHT's personnel department had supplied him with details of Raubenheimer's personal and academic career After he had written the article, both Raubenheimer and MD Wallie Conradie checked the facts No changes were made

Raubenheimer's immediate chief, GM Johan de Ridder, was taken aback when the *FM* told him that, according to the business school records, Raubenheimer had not obtained a doctorate

When the *FM* contacted Raubenheimer and told him that there is no record of his doctorate, he said that he had handed in his thesis and was waiting for the degree to be awarded to him at the end of this year Only after he was questioned about the SAHT's internal telephone list, which describes him as "Dr Raubenheimer," and the fact that his colleagues had been under the impression during the past two years that he had a doctorate, did Raubenheimer acknowledge that he had "brought them under the wrong impression "

Raubenheimer claimed that the business school's Prof Koos de la Rey is his thesis supervisor But De la Rey could not give the *FM* any details about Raubenheimer's thesis when we spoke to him last week

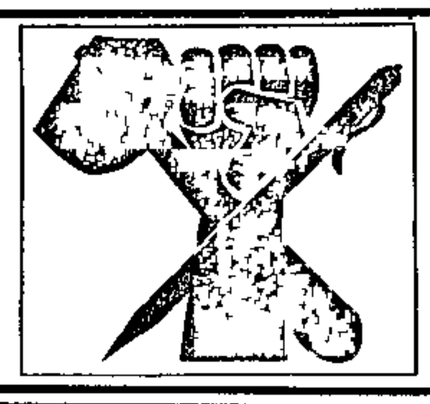
Conradie says when Raubenheimer was appointed in January 1990, he had an MBA and the necessary experience to be a senior manager in marketing "About six months ago, it became generally known at the SAHT that he had obtained his doctorate," says Conradie But it was not checked as a doctorate would not have resulted in extra remuneration to Raubenheimer

The *FM* understands that, when confronted on Tuesday morning by SAHT management, Raubenheimer admitted that he had falsely claimed a doctorate Conradie says the SAHT will act against Raubenheimer in terms of the normal disciplinary rules of the company

Eddie Botha

cont →

BUILD YOUR ORGANISATION



MEETINGS.. MEETINGS..

New Nation (Learning Nation) 15/5-21/5/92

(172)

MEETINGS...

Remember, last week we gave you a summary of the articles we have run this year on the role and problems of building organisation. This week we will begin to look in more detail at the actual skills you need to build your organisation. We will start off by looking at the issue of meetings.

So we will look at:
- **what a meeting actually is**
- **an example of a bad meeting**
- **the purpose of meetings**
- **and finally how to plan meetings.**

Next week we will look at how to plan and chair meetings.

What is a meeting?

All of us have sat in a meeting at some point in our lives Perhaps we have even had to plan and run a meeting But why are meetings so important? Why do we have meetings? Try and answer these questions before you read the rest of this article? Answer these questions in your group or write down your ideas if you are working alone

Why do you go to meetings?

Why do you think meetings are important?

A meeting is an important tool in the hands of an organisation We have meetings so that we can have collective and democratic decision making, planning and follow-up, accountability and other practices essential to running an organisation

If meetings are used effectively then they can help an organisation to function in an accountable and efficient way In this way organisations will grow and will achieve the needs of its membership

Do you agree with the points being made in the two paragraphs you have just read? Why then do we often complain about bad meetings?

Read the following points and mark off the points that you have experienced

* The meeting starts late ☐
* Other people arrive late ☐
* There are no minutes ☐
* There is no agenda so you don't know exactly what the meeting is about ☐
* People repeat each other and they don't stick to the topic ☐
* Some people don't speak at all ☐
* The chairperson doesn't know how to direct the meeting ☐
* You leave the meeting feeling unhappy because you don't know what action needs to be taken ☐
* You don't know what to prepare for the next meeting ☐

The result of a bad meeting is that it can lead to:
Lots more boring and frustrating meetings!
No practical work actually getting done
The executive is unaccountable to the membership
Individuals do not feel part of the organisation and don't feel that it is meeting their needs and so they leave
The organisation could collapse

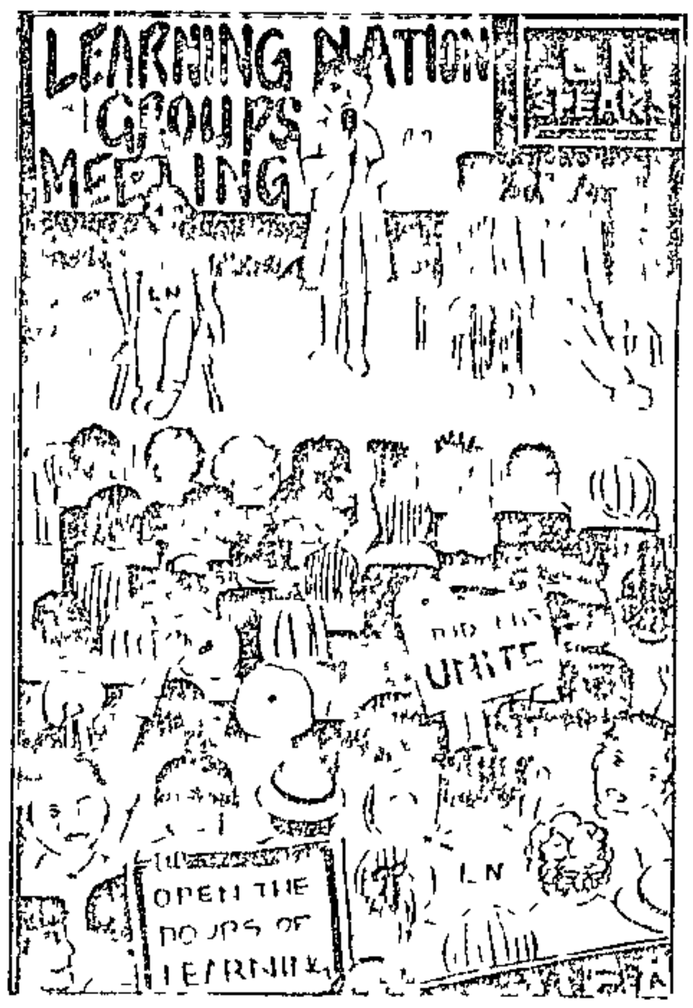
Without organisations and meetings we cannot have democracy and real involvement of people. Until our organisations really involve people and are democratic they will not serve the people What we are trying to achieve is democracy and accountability in our organisations This is not easy but good meetings will take us some way down this road

What then should we be aiming for in meetings?

The purpose of meetings

It is important that your organisation discusses the purpose of meetings generally You also need to be clear on the purpose of each and every meeting you have

List the purposes of the last three meetings you have been to



You will probably realise the following points when you make your list or discuss ideas in your organisation.

* Meetings must not be too frequent or held simply for the sake of it
* There should be regular meetings with the possibility of calling emergency or irregular meetings when the need arises
* There should be decisions about the different types of meetings needed For example, some meetings could be to discuss policy and others to discuss organisational or practical work Wherever possible, the members must know what type of meeting they going to and what the meeting is for They must know the purpose of the meeting

In this way it is also easier to ensure that meetings are generally shorter and people can decide when a longer meeting is necessary It is possible to have other types of meetings For example you might like to have an evaluation meeting where you look back on the last year and plan for the next year This might take a series of long meetings

Next week we will read about how to plan and chair a meeting We will also look at the actual procedure of meetings Sometimes this seems quite complicated and it makes people feel that they can t contribute to meetings because they don't know if they are talking about the right thing at the right time so perhaps next week's article will help sort that problem out

This article was adapted from material written by the Education Resource and Information Project (ERIP)

European tax can be reclaimed

STAR 16/5/92

THELMA TUCH-GABAY

NEXT time you take a business trip to Europe, make sure you keep all your receipts — they could save your company thousands of rands

Many companies are unaware that they can reclaim the value-added tax (VAT) charged on services used by their employees on business trips in Europe

This includes money spent on accommodation, car rentals, meals, trade fairs, conferences, exhibitions, professional fees and training

Businesses are entitled to a sizeable tax refund from European governments, says Meridian Reclaim Services director Ian Smith

Meridian — a subsidiary of Kirsh Industries Ltd — recently set up an office in Johannesburg to help companies claim refunds

The claims are sent to Meridian's London office, which submits them to the European authorities Refunds are usually issued within four to six months

● *Companies interested in this service can contact Ian Smith at 788-1557*

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Starting a business

Star 16/9/92 (172)

Adapted from Starting and Running Your Own Business, published by the Private Business Services Division of chartered accountants KPMG Aiken & Peat.

COMMENTS made about a business also apply to the purchase of a company or close corporation (the difference between these types of organisations was described earlier in this series)

In particular, you must obtain professional advice and the necessary finance before you commit yourself to purchasing a company or close corporation

The financial statements of a limited company are required by law to be audited

This means that an independent expert has to examine the financial statements and much more reliance can therefore be placed on audited, as opposed to unaudited, financial statements

This may make the valuation of the business easier, as the financial information on which it is based is more reliable

The financial statements of a close corporation do not have to be audited, but must be reviewed by an accounting officer

This provides some degree of comfort as to the accuracy of the figures in the financial statements

Before committing yourself to buying a business, your accountant should examine the last three years' audited financial statements as well as up-to-date management accounts and projections (if available) particularly as regards the valuations of assets, contingent liabilities, and the company's tax position

Remember that when you are buying a company or close corporation, you acquire everything that it owns and owes, including all liabilities, whether disclosed or undisclosed

It may be preferable to acquire certain specified assets, rather than all the assets of the company Your accountant will be able to advise you in specific instances

Beware of people trying to sell a "tax loss" as an asset

It is true that, in normal circumstances, tax losses can be set off against future income, but there are anti-avoidance provisions contained in the Income Tax Act

Share transfer

A change in shareholding accompanied by even a relatively minor change in the nature of the business could cause thr company to lose any tax loss benefit

When a share in an existing company is transferred, stamp duty is payable on the fair market value of the consideration This is generally payable by the purchaser

Always make sure you have adequate finance (see later articles in this series) before committing yourself to the purchase This applies to purchasing a business, a company or a close corporation

□ *Next week Franchising and other opportunities*

FM 22/5/92 (172)

MANAGEMENT

Coping with change

When a person cannot absorb the volume of change, culture shock sets in. Sound strategic decisions can fail if those implementing and affected by them cannot deal with the stress it causes And in SA now, change is probably the only constant

"People resist change, we prefer to stay in a predictable environment," says Daryl Conner, president of US-based OD Resources, a consultancy in change-management

In the US, Conner mostly advises organisations how to deal with mergers, acquisitions, takeovers and new technology But he also deals with changes brought about by social and political forces So there is much potential for his services in this country, which is why he has just taken his third trip here since last August

Resistance to change can show in low productivity, absenteeism, substance abuse and even sabotage Conner tells how to prepare for resistance to change rather than wasting effort on grand new strategies afterwards

His belief that South Africans are coping well with change is based, he admits, only on exposure to senior officers and a sprinkling of middle ranks

SA's business community seems to have what he calls "unconscious competence" — an intuitive sense in dealing successfully with change The problem is, he explains, there is no guarantee that the next generation of decision-makers and implementers will be blessed with the same skills While social leaders may "find the bridge across the many factions, is there the skills base to sustain the accord?"

Before his first visit to SA, Conner tested his system in the former Soviet Union where he had been asked to advise on the human ramifications of *perestroika.*

But, he says, in the Soviet Union, one huge, essentially economic paradigm was being changed — with social implications In SA, "I've lost count of the number of paradigms Every main foundation of society is being examined, if not re-ordered "

People who respond well to change have a certain resilience, a pliable strength, that can be taught, says Conner He maintains that this strength is the enduring benefit of what he teaches Just as training people to handle one type of corporate change develops their ability to deal with later changes in the same environment, so people are able to use these same principles to cope with family stresses — which, after all, are also organisational problems

Conner is impressed with the "holistic picture" he has seen in SA The business community is giving much attention to resolving social as well as business issues, he says, and the high level of uncertainty could perhaps help people in the country to realise how complex the situation is and make them aware of how much work needs to be done ■

BUILD YOUR ORGANISATION

HOW TO PLAN AND CHAIR A MEETING

New Nation (Learning Nation) 22/5-28/5/92.

Last week we looked at what a meeting is We gave some examples of good and bad meetings. This week we look at the skills you need to

- **plan a meeting**
- **chair a meeting**

What does planning a meeting involve?

172

Planning should improve participation by making sure that discussion is on a single (specific) topic and that members are well prepared for the meeting Planning does not mean controlling and directing the meeting in such a way that it restricts participation from members

Have you planned a meeting before? What were the difficulties?

Why do you think it is important to plan for a meeting?

Planning a meeting is the responsibility of the Chairperson, the Secretary or the Executive, depending on the type of organisation We will look more closely at functions of the executive structure of an organisation later on in the series

Planning should include the following:

Minutes:

- Minutes of the previous meeting must be made available to members before the meeting, or read out at the beginning of the meeting
- Minutes must be adopted at the beginning of the meeting Everyone must agree that they are an accurate record of the last meeting Members must be given the chance to add points or items to the minutes which have been left out.

Agendas:

- An agenda must be presented with the minutes The agenda is a list of the most important issues for the members to discuss
- The agenda is drawn up from the Matters Arising from the previous meeting and from the discussions of the Executive or Secretariat
- Members can suggest additions to the agenda.
- An agenda should include a last item known as "General" or "Any Other Business" to allow members to raise short items not included on the agenda
- An agenda should also include the item "Assessment of the Meeting" which can take five minutes at the end of the meeting Members can talk about whether they felt the meeting was worthwhile, and how they felt the meeting was chaired
- Each item on the agenda must be introduced by someone. This member will either lead a discussion or present a report.

Discussion:

The member will lead the discussion on an issue and then make proposals to the meeting on a way forward Members can then comment on and discuss the issue, as well as the proposal

Reports:

In the case of a report, the person who is reporting should comment on the following

— Was it a task that was completed, what were the problems and what still needs to be done
— Members should discuss the report and delegate responsibility to ensure that the task is completed.

Issues that need to be planned in our organisation

Chairing Meetings

Chairing a meeting is very important if we want the meeting to be effective It is important to have an experienced chairperson for important meetings It is also important however, to teach people to chair meetings It is an important skill for people to learn

What are the responsibilities of the Chairperson?

The Chairperson must try to ensure that.

— Everyone who wants to speak is given a chance to speak
— Speakers stick to the topic of discussion and do not raise other irrelevant matters
— Speakers are as brief as possible
— Discussion must aim at coming to conclusions There must be a clear way forward which everyone understands
— The discussion is summarised, so that everyone knows what ideas and proposals are being made However, at the same time the Chairperson must be careful not to repeat everything that has been said This is a waste of time If the chairperson thinks the members are unclear, he or she could ask whether members want a summary of what has been said or decided.
— There is agreement on what the decision is, and make sure that everyone understands what decision has been taken
— Someone must be given the task of carrying out the decision, and know it should be done and reported on

Other responsibilities of the Chairperson include:

- Being alert to new things that might happen For example new members of the organisation should be welcomed and introduce themselves
- Uniting a meeting rather than dividing it. It is always better if a meeting reaches consensus on issues Voting on important issues often causes more divisions in an organisation
- Setting a cut-off time for the meeting - a time everyone agrees the meeting should end
- Setting a time and a venue for the next meeting

Members: does your chairperson know about these responsibilities?

How can you help them to improve their skills in chairing meetings? Give them this article to read, it could help make your meetings a lot better and more efficient.

Chairpersons: It is often difficult to chair a meeting.

Sometimes mistakes are made but no one says anything in the meeting about it To fix this problem make sure that at the end of the meeting you ask for yourself as the chairperson to be assessed along with the meeting Ask members to make one good point about your chairing, and one criticism of your chairing

Next week we will look at meeting procedures, and procedural points most used in our meetings.

• Resources List •

Do you want more information on planning and chairing meetings, and on building organisation? One of the organisations you can contact for advice and material is

The Human Awareness Programme
4th floor Conlyn House
156 President Street
Johannesburg
2000
Their telephone number is (011) 337 8716

Franchising and other business opportunities

STAR 23/5/92. (172)

ADAPTED from "Starting and Running Your Own Business", published by the private business services division of chartered accountants KPMG Aiken & Peat.

YOU may have the skills and personality needed to start your own business, but you may not be able to determine the type of business you want to enter

Whatever route you decide, you should consult your accountant and attorney before involving yourself in any business opportunity.

Franchising.

"Franchising" is running a business of your own, selling someone else's product

The scope of franchises is wider than you may think

Fast food chains (such as Wimpy and Kentucky Fried Chicken) are well-known operations, but many other products and services are available on a franchise basis

Starting a franchise operation is not as risky as starting from scratch on your own

You may have the advantage of not needing to establish a market for your product

As a frachisee you have certain advantages over the person setting up on his own Remember, though, that you are still running your own business

All the points mentioned in our previous articles are relevant

The basis of any franchise is the agreement

You must look at this very carefully It is a good idea to consult your accountant and attorney before entering into any agreement

The points to check vary with the type of business you are planning, but there are certain aspects you should consider in each

- Are you technically able to deal with the product or services that you will be offering?
- Is the product offered an exclusive one, or is there competition?
- How much control and assistance does the franchisor provide?
- If possible, ask other franchisees about the business and the franchisor's operating methods
- Is the franchisor financially sound?
- If the franchisor is operating in a business which involves changing technology, consider whether he has the expertise and resources to keep up with the market
- How long is the term of the franchise — what are the arrangements for terminating it and what fee is payable?
- If the products are sourced from overseas, what are the delivery times and risks of delays, and is there potential for foreign currency losses?

Other ways of starting your own business:

There are other methods of starting your own business (for example, creating a joint venture with an existing firm or partnership or selling your idea to an investor, who will then support you)

These may particularly appeal to you if you have the skills, personality and an idea which you want to develop, but do not have the funds available.

Conversely, you may have cash to invest in a business but are unclear as to exactly what sort of business

There are ways of meeting potential partners and/or investors

Consider approaching a business broker who introduces people looking for finance to those who are prepared to place capital, or the owners of a business who want to sell

Various newspapers, technical and professional journals also often have a business-opportunities section in their classified columns

But in all cases you should consult your professional advisor before launching into any unusual schemes and ventures

□ *Next week: A plan for the business*

Accord threat to top agenda

WILSON ZWANE

THE threatened withdrawal from the national peace accord by the ANC's PWV region and its allies will be high on the agenda at today's urgent meeting of the full national peace committee B/Day 26/5/92

It is understood ANC NEC member Sydney Mufumadi will be in an ANC team Inkatha will be represented by national chairman Frank Mdlalose and government's delegation will include national peace secretariat member Gert Myburgh

National peace committee spokesman Val Pauquet said the meeting — convened a month early because of escalating violence — would appeal to all regions to remain active and committed to the peace process and not to regard withdrawal from dispute resolution committees as a solution to problems

The PWV regions of the ANC, SACP, Cosatu and the Civics' Association of the Southern Transvaal (Cast) last week said they were considering pulling out because government and the security forces had signed the accord in bad faith

● Comment Page 8

More executives lose jobs

B/Day 26/5/92

172

KARIN PRANKEN

SENIOR and middle management executives are feeling the draft as the recession takes it toll

Placement industry sources confirmed yesterday there had been an escalation in the retrenchment of top staff, adding that sectors most severly affected were banking, mining, engineering and retailing

Career Transition International director Neil MacDonald said an inflow of applications and accompanying curricula vitae had been experienced over the past year as retrenched executives sought new jobs

The number of layoffs at managerial level rose steeply last year with more companies approaching career consultants to help alleviate the problem of displaced managers, he said

MacDonald said companies had offered employees handsome retrenchment packages of six months' to a year's salaries, but decided to look for more viable solutions, one of which was finding them work

"Companies are putting on a more humane face when it comes to releasing trusted, experienced staff for whom there is no place in the restructured company"

Chart Outplacement Consultants MD Monty Wood agreed that job applications from retrenched business executives had increased over the past six months

Companies were increasingly recognising the need to run tight and well-structured enterprises

"Competent management needs to look at efficiency and cost elements, especially in times of recession"

Wood said even when the economy improved, companies would maintain "right-sized", tightly run operations

Chart Consultants director Rod Meintjies said UK companies were "delayering"

Company hierarchies were closing the gap between higher and lower ranked workers, a development helped by the advancement of computer technology An efficient computer database enabled top management to make decisions without having to consult middle management staff

Station upgrading hit by funds shortage

B/Day 26/5/92

WILSON ZWANE

THE SA Rail Commuter Corporation (SARCC) project to upgrade nine Soweto railway stations has run into financial difficulties, it was disclosed yesterday

The corporation announced in March this year it would pump R11,9m into the project aimed at improving the service

SARCC MD Kobus Nel said the upgrading of Naledi Inhlazane, Dube, Phomolong, Phefeni, Mzimhlophe, Midway, Chiawelo and Nancefield stations was part of a larger project to develop a number of stations on the Reef

An SARCC spokesman said yesterday the project had become too expensive so the corporation had to reconsider it It was due for completion next month

He said the need to incorporate requirements from the community and the Goldstone commission Of inquiry into public violence and intimidation in the planning of the project had hit the budget

The two faces of a costly strike

STAR 27/5/92.

MIKE SILUMA takes a look both the workers' and management's sides of the strike by workers at Toyota's Prospecton assembly plant

(172)

THROUGH the outsider's eyes, the strike at Toyota's Prospecton, Durban, assembly plant — affecting about 6 000 workers and in its third week — might seem like an oddity

The question is: How is it possible for a company which is the undisputed leader of the country's car manufacturing industry to experience such tumult in in its employee relations?

So far the strike, over employees' demands for the dismissal of three members of management for alleged discriminatory practices, has cost the company no less than 5 000 vehicles in lost sales, worth at least R270 million.

It is also affecting the livelihood of an estimated 2 600 workers employed by Toyota's component suppliers.

Talks between management and the National Union of Metalworkers (Numsa) have failed to resolve the crisis, with workers insisting that a return to work is contingent upon the outcome of any arbitration proceedings. Even a court order has failed to persuade the workers to return.

As a result of the dispute, Toyota stayed out of the latest round of national wage negotiations between Numsa and motor assemblers

In an effort to break the deadlock, Toyota has evoked disciplinary procedures against the management members

That Toyota has been forced to use newspaper advertisements to appeal for strikers to return to work is an indication of how far relations between it and the strikers have deteriorated, underlining the existence of an "us and them" syndrome.

So what has caused this souring of relations?

To every story there are, as they say, two sides And in its latest issue the labour journal South African Labour Bulletin attempts to give the workers' side, through an article written by Numsa shop stewards at Toyota before the strike.

According to the workers, good industrial relations at the plant have been undermined by the introduction of Japanese management and productivity techniques, hugely successful at the company's Toyota City in Japan but the subject of some controversy here

Key components of the system criticised by the shop stewards are the quality circles, cost-saving competitions and the multiskilling of employees

This is how the shop stewards describe the introduction of quality circles to the plant. "In the early 1980s the bosses came back from a trip to Japan with new ideas of how we should organise our work. But from the beginning they never discussed these ideas with us

"Then they started to organise groups of workers into work teams. These work teams were never established to listen to the voice of workers. They were simply there to give management more control over the workers."

Describing workers' relationship with management as "one of war", the shop stewards complain that management's attitude towards workers "is not right"

"For example," they write, "you could never find a situation where a manager enters his department and greets all the workers on the line Our managers don't even greet us. They're just like enemies here."

Perhaps not surprisingly, in the light of current events at Prospecton, Toyota rejects the allegations in the Bulletin article as "subjective" and lacking in "factual substance"

A spokesman said a survey undertaken by the company last year painted "a vastly different picture"

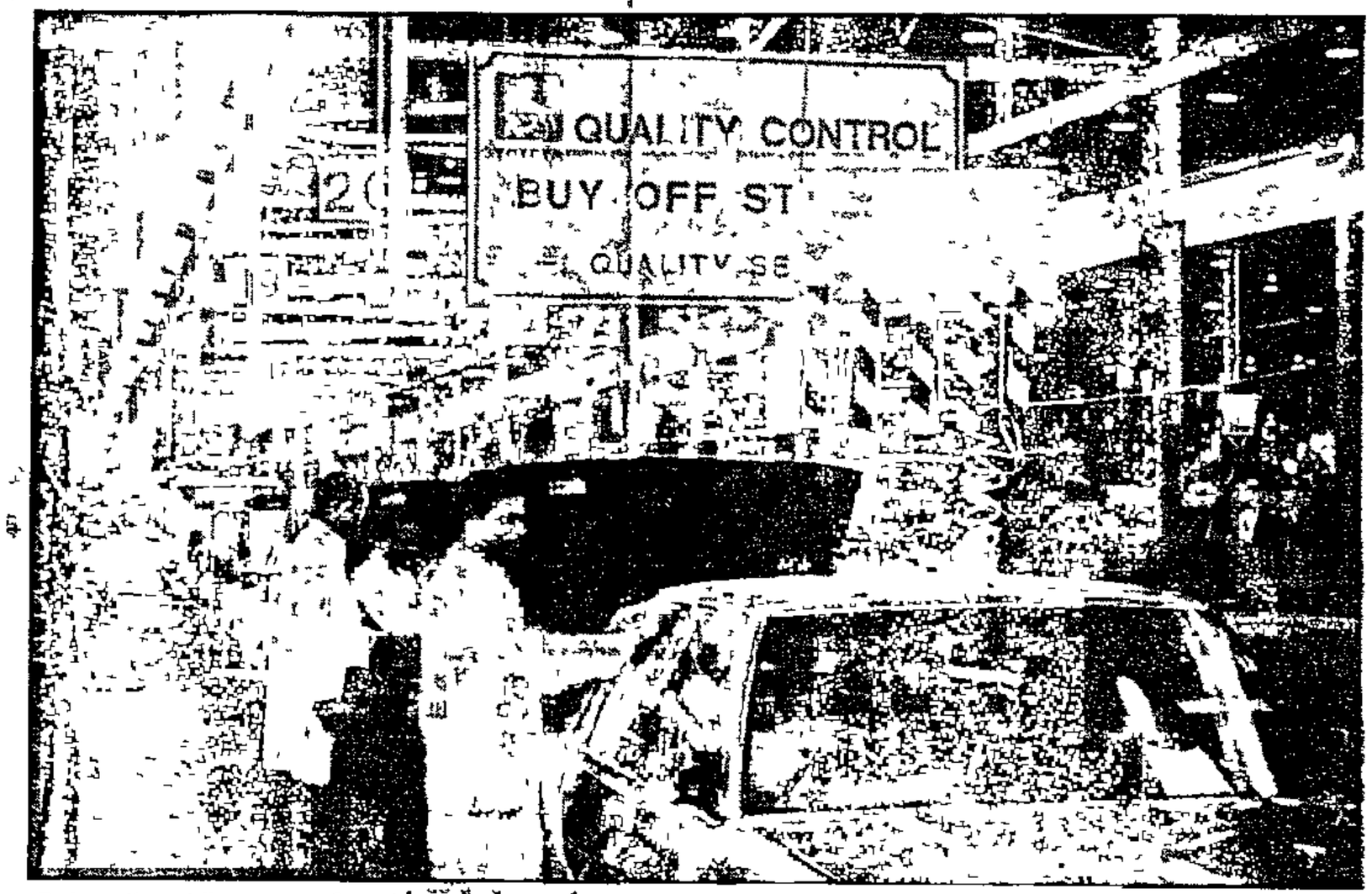
"According to the results of the survey, undertaken by an outside market research company in face-to-face interviews, relationships in the plant were described as good by 78 percent of employees The survey also found that 92 percent of employees regarded intercultural relationships at Toyota as good.

"Our company assumes that the comments by the shop stewards in the (Bulletin) article reflect the views of a minority as per the survey we conducted."

The company found it "curious" that it was being targeted by Numsa as an unfair employer when its employees were among the "leading wage earners in South Africa"

The company had pledged R25 million to assist employees with housing between 1991 and 1996 and R3 million a year for educational assistance to employees and their communities.

Worker involvement in productivity programmes was "entirely voluntary" and workers themselves had made 8 328 problem-solving presentations to management. □



Before the strike a Cressida comes off the line at the assembly plant at Prospecton in Durban So far the strike has cost the company no fewer than 5 000 vehicles, worth at least R270 million, in lost sales

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No. 89

Shares

gence dividend declared for the South African to preference he company at

non-resident shareholders re outside the

29 May 1992

Affirmative action supported

B/Day 29/5/92 (172)

SUSAN RUSSELL

MOST urban blacks support affirmative action in the employment field, according to a survey published by Market Research Africa this week.

The survey found two out of every three urban blacks were in favour of blacks being offered jobs rather than whites, even if black applicants were less qualified.

The findings are based on interviews with 2 000 urban black over the age of 16, representing over 7-million people

The largest groups in favour of affirmative action employment policies were in sales (52%) and office workers (49%)

Next came students and skilled blue collar workers, 38% of whom felt blacks should be given a chance even if they had fewer qualifications, while 34% of unskilled blue collar workers were in favour of the concept

Market Research Africa found that fewer people in professional and managerial positions believed employers should discriminate in favour of blacks when taking on or promoting staff.

People whose home language was Sotho (51%) were also more likely to endorse the concept than those whose home language was Zulu (37%) or Xhosa (31%).

Market Research Africa chairman and MD Clive Corder said it was simply a matter of time before SA followed the US example of instituting an affirmative action programme to level the playing field as far as employment was concerned.

"However, it should be recognised that while this may please one sector of the community, it will upset another.

"Reverse discrimination could well have negative social and economic repercussions," said Corder.

Meanwhile, the results of a similar survey published by Market Research Africa last week revealed that two out of five urban blacks supported a programme of redistribution of wealth by law

That survey showed that 38% of urban blacks in the Cape favoured redistribution while 37% in Transvaal, 31% in the Free State and 25% of those living in Natal supported the idea.

● See Page 7

Curfew greets royal return

B/Day 29/5/92. Business Day Reporter

LESOTHO's deposed monarch King Moshoeshoe II returns to Lesotho this weekend from exile in London

He was exiled in 1990 by Lesotho's military government and replaced by King Letsie III. Moshoeshoe is demanding the reinstatement of executive powers to the monarchy ahead of a general election this year.

Sapa-AP reports that police imposed a nighttime curfew and set up roadblocks outside the capital ahead of his return, citing public safety as a reason for the measures.

Moshoeshoe is scheduled to fly into SA on Friday and to drive to the royal village in Lesotho on Saturday.

Investment product being tailored for stokvel members

WILSON ZWANE

STOKVELS and a major financial institution are edging closer to producing a new investment product for stokvel members B/Day

And a number of investment companies in the US and Britain have signalled they would invest in the product, provided it yielded good returns and was "benefiting the people on the ground" 29/5/92

National Stokvels Association of SA (Nasasa) president Andrew Lukhele recently announced that his organisation planned to help alleviate the black housing crisis by diverting millions from banks to unit trusts, which would serve as collateral for home loans since banks were reluctant to lend money to township residents

Lukhele said the arrangement would allow black savings to be ploughed back into black communities, rather than having the money lent to affluent whites.

The latest Markinor survey of the informal financial sector indicates a 62,5% growth in the money collected by stokvels in urban areas

In 1991, stokvels collected an estimated R84m a month compared with R52m in 1989 Membership also rose to 1,3-million from 680 000 in 1989.

Nasasa consultant and Tremsen Broker Services MD Stephen Japp said yesterday although some Nasasa members had invested in Syfrets-administered unit trusts, the services group was unable to produce "the type of product which Nasasa wants"

Nasasa had, therefore, entered into a joint venture with a major financial institution with a view to developing a "unit trust product tailored to meet the needs of the stokvel members"

Japp would not name the financial institution, but said it was anticipated that the unit trust product would be available within three months

Lukhele said the recent De Loor Commission report on housing supported Nasasa's conviction that stokvels could play a role in meeting the black housing backlog.

'Affirmative quotas fail'

(172)

WILSON ZWANE

AFFIRMATIVE action programmes fail in SA because they are geared towards meeting recruitment quotas rather than developing the potential of blacks and women. B/Day

This is the view of human resources consultant Linda Human in a paper to be delivered at next month's fourth annual conference of the Institute of Personnel Management's (IPM) human resources development division.

She says other reasons for the failure of affirmative action programmes are: 29/5/92

- That blacks and women are expected to function in a white male world which remains uncommitted to people development;
- A lack of commitment on the part of top management.

"It is time for managers to accept their responsibilities in relation to the disadvantaged .. it is also time for blacks and women to accept responsibility for their own development," says Human.

Blacks push for jobs ahead of whites

Staff Reporter (172)

29/5/92

Two out of every three urban blacks were in favour of blacks being given jobs over whites — even if the blacks were less qualified.

This was one of the findings of a Market Research Africa Sociomonitor survey released this week The results were based on personal interviews with a representative sample of 2 000 urban blacks aged 16 or over

The survey found that the idea of blacks being given the jobs over whites enjoyed greater support in the Transvaal and Free State than in the Cape and Natal

It found that sales and office workers were most likely to feel that blacks should be given the chance of a position even if they have fewer qualifications, followed by students and blue-collar skilled and blue-collar unskilled workers

However, fewer people in professional and managerial positions were supportive of the idea that employers should discriminate in favour of blacks when taking on or promoting staff

Market Research Africa managing chairman Clive Corder has warned that reverse discrimination could have negative social and economic repercussions

Institute to hone business skills

Sowetan 29/5/92 (172)

By JOSHUA RABOROKO

THE Small Business Development Corporation has launched a training institute to look into business and management skills in this sector

The aim of the institute is to expand current busines and management skills training facilities and opportunities aimed at potential and existing enterprises in the informal, semi-formal and formal sector of the community.

SBDC's managing director Dr Ben Vosloo said: "There is a vast need for appropriate training for entrepreneurship and skills involved in creating and running a successful business. Such training has to be accessible, affordable and relevant to the needs of the community"

Training

He emphasised the importance of such training being directed at all the appropriate stages of business creation

"The institute will try to cover the whole spectrum from creating an awareness of self-employment as a career option to starting a business, running or maintaining a business and expanding a business," said Vosloo.

The institute's activities will comprise three key components These are entrepreneurial development, business and management skills development and administrative skills development

Entrpreneurial development will focus on harnessing motivation, developing creativity and problem-solving and negotiating skills.

The business and management skills development will include business planning, marketing, costing and pricing, accounting, cashflow analysis, operations management and human resource management.

Book-keeping, record keeping, office technology, basic legal requirements are some of the aspects which will be addressed under administrative skills development

The institute presently offers five formal courses on how to start an own business, the one-up course for informal small business, how to manage and improve your own business, labour relations and retail management

The institute will operate under the auspices of the Small Business Training and Education Foundation, which was established in 1991 by the SBDC as the founding donor.

The foundation has already received the support of many companies

"We hope that donors will see investment in this institute as an opportunity to play a significant role in promoting the entrepreneurial activities and competency required in making South Africa a prosperous country," Vosloo said.

Small business to get help in crucial labour relations field

(172)

S Times (Cape Metro)

SMALL and medium size businesses are losing money because they lack labour relations skills, says Mr John Naudé of the Western Cape region of the Small Business Development Corporation (SBDC)

He says the most apparent areas are badly motivated workforces, low productivity, time wasting from inadequate disciplinary and grievance procedures, and the resultant costly legal and other expenses in the event of disputes

31/5/92

"Indications that unions have targeted small and medium businesses for membership drives have heightened the need for employers to improve their basic labour relations skills," says Mr Naudé

"It is unfortunate that many businesses still do not appreciate that proper techniques can, for example, prevent industrial court litigation and contribute to an improved bottom line."

The SBDC has now developed a training course "Labour relations for the small business" which is suitable for businesses employing between five and 100 people

The next course will be held on Mondays and Wednesdays each week, from 6pm to 9pm, running from June 8 to July 8

It will be presented in the SBDC offices at 60 Sir Lowry Road, Cape Town

Participants will receive a comprehensive course manual on registration and a certificate of achievement upon successful completion of the course

Further details are obtainable on ☎ (021) 462 1910

Top businesswomen

THE Executive Women's Club of Southern Africa today named its 1992 Businesswoman of the Year award candidates They are Rennies Travel MD Lilian Boyle, Eskom national marketing strategy manager Marie Davison, Ziton SA executive director Margerett Macfarlane, Emmanuels Personnel CEO Litsa Roussos and First National Bank group credit assistant GM Irena Willman (172)

B/Day 1/6/92

Alexander Proudfoot in SA

JONO WATERS (172)

INTERNATIONAL management consultancy Alexander Proudfoot — based in Florida in the US — has entered the SA market with the acquisition of Quality Management Associates (QMA) for R10m.

Proudfoot CE Tom Huhn said the acquisition was a significant step in the group's international expansion programme. B/Day 21/6/92.

Colin Bloom, MD of Alexander Proudfoot Company of SA, said QMA would be able to draw directly on the Proudfoot group's international expertise.

Proudfoot, which is listed on the London Stock Exchange, had a worldwide turnover in 1991 of R900m.

STAR 3/6/92

5 women named for top award

(172)

Staff Reporter

The Executive Women's Club of Southern Africa has made five nominations for its 1992 Businesswoman of the Year Award

They are Lilian Boyle, managing director of Rennies Travel; Marie Davison, national marketing strategy manager at Eskom; Margerett Macfarlane, executive director of Ziton SA; Litsa Roussos, chief executive officer of Emmanuels Personnel; and Irena Willman, assistant general manager of group credit at First National Bank.

Judging

The nominees now go before an independent panel of judges, namely: Chris Liebenberg, chief executive of Nedcor Ltd; Val Mickleburgh, former executive director of and current consultant to Total SA; Richard Steyn, editor-in-chief of The Star; Dr Jopie van Rooyen, manager of organisation development at the HSRC; and Christo Wiese, managing director of Pepkor.

The 13th Businesswoman of the Year award will be presented at a banquet at the Carlton Hotel on August 26.

Top post for Dr Ramphele

(172)

Sowetan 4/6/92.

By JOSHUA RABOROKO

ANGLO American Corporation has appointed Dr Mamphela Ramphele as a non-executive director of the corporation

Ramphele, presently deputy vice-chancellor of the University of Cape Town, has had a distinguished medical and public service career.

She is the recipient of honorary doctorates from South African and American universities as well as a number of research awards and has written widely on social issues.

Most notably she has researched the problem of poverty in South Africa and is the co-author with Francis Wilson of Uprooting Poverty: The South African Challenge

Over the last year she has taken a leading role in the efforts of the corporation to define affordable and effective programmes of poverty alleviation which can be undertaken in South Africa within a framework of sound macro-economic policies.

This research work will form the basis of discussions with political parties.

Dr MAMPHELA RAMPHELE is now an Anglo director.

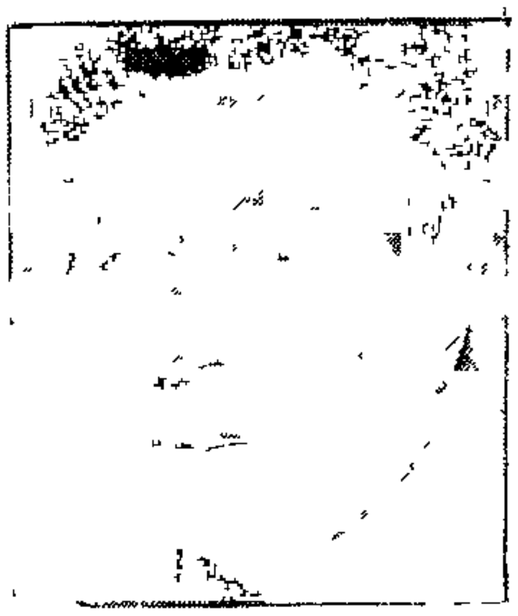
In my view . . .

A daily commentary on current economic affairs by writers of The Star.

Executives must fall in step with the future

STAR 8/6/92 (172)

By John Spira



Perhaps it's because so many South African companies have been so long excluded from the world business arena that they've fallen behind in the global village race for the ultimate business strategy

From the feedback I've been able to pick up on my rounds of the business community, I get the impression that much of South African management is too blinkered to assimilate the big picture and to translate perspicacity into the right sort of action

Let me give you an example One of the country's more prominent consultants was recently asked for his input on a major strategy programme being put into place by South Africa's largest and (so it is perceived) most progressive corporations

All of the top echelon were represented at the brainstorming occasion, which lasted a good three days

At the final session, some seemingly focused guidelines for the future were unveiled

At first glance, they looked professional and thoroughly researched, encompassing as they did (among others) strategies for gaining market share, for pricing products and for people hierarchy

All present were impressed — except for my consultant friend, who punched huge holes in the presentation on the grounds that it failed to make any mention of the changed environment in which the corporation was bound to be operating in the years ahead.

Very little appreciation was exhibited of the need for a strategy to handle the future aspirations of labour, an altered tax structure, different patterns of income distribution and the like

Nor was any cognisance accorded to a global climate in which protectionism was considered as a serious threat to existing international trading patterns — and how the company should go about making plans to cope with such an eventuality

"They all failed to understand the dynamic of what was going on around them," said the consultant

"They couldn't comprehend that tomorrow's world will be very different from today's and that they therefore needed to concentrate their future strategies on a myriad of plans designed to meet a myriad of different situations"

They're all back at their drawing boards, which is where all managers serious about surviving into the next century should be — using the tools of the future rather those of the present and the past

Managers don't step on toes of private sector

B/Day 9/6/92

DESPITE significant steps taken in commercialising the CSIR, its management is acutely aware of the need not to step on the private sector's toes.

Marketing and business development executive vice-president Mike Groch says the organisation is determined, as far as possible, to avoid uneccessary competition

"This can be classified as competing unfairly to the extent where we take on private sector enterprises, subsidise prices, and so on"

He says the CSIR's parliamentary grant is used to develop the organisation's technical expertise This is controlled through formal commercial policies whose application is monitored by the CSIR's top management

"Our business is not that of the normal consultant or consulting engineer, or that of a manufacturer or marketer, except where the manufacture of prototypes is essential for market testing Thereafter we transfer the technology to a commercial business partner

"It is crucial that the CSIR is recognised and accepted as the provider of technology, not the receiver and user of technology, and for this reason it cannot encroach on the private consulting and manufacturing industries domain This is a complex topic and consequently the source of much of the confusion around the apparent competitive stance adopted by the CSIR

Partner

"We see ourselves as the technology partner of the customers we serve"

The organisation has about 1 700 staff responsible for securing external sales and executing these projects So although it is top managements' firm policy to contain unnecessary competition, this is obviously not an easy task Groch says staff are constantly reminded of their role as a source of scientific and technological expertise and that it is therefore unnecessary for them to actively try to compete with the private sector

"Rather, our job is to provide technology packaged in a variety of forms, required by the private sector to advance their competitiveness, especially if they are seeking to enter international markets.

"This is where our significant technology networks present valuable input to our customer's strategy

"This position and perspective is confusing to the private sector An example is the work we're undertaking in the civil engineering arena for the Lesotho Highlands Water Scheme," Groch says.

"Perhaps it can be claimed that our work there could have been undertaken by any number of local or international consulting organisations

"However, we maintain that the technology flavour and multidisciplinary skills which we bring to bear in solving various problems are of a different type from what these firms can offer

"As our interaction with other firms involved in the scheme is very close, they invariably assimilate the technological and other skills we have.

"This requires that we stay at the forefront of technology appropriate to the markets we serve otherwise our ability to generate higher levels of external income will be eroded

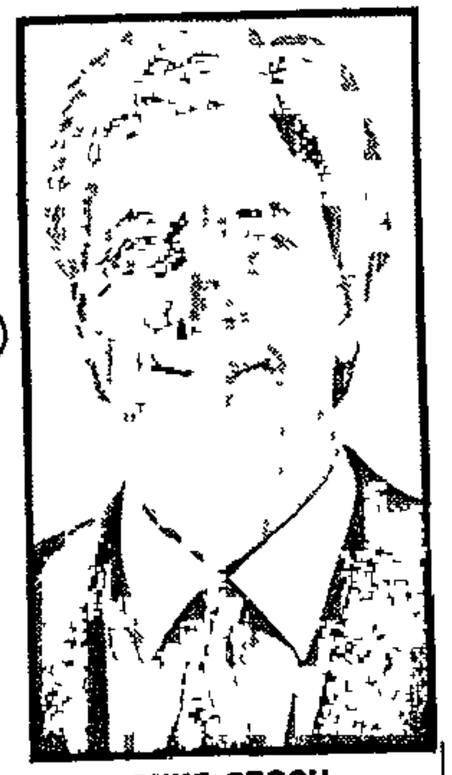
Advantage

"There is another dimension to this theme

"I believe there is greater advantage in collaboration than there is in confrontation.

"Linking skills and resources and working together is vital for SA. We are small, relative to most developed countries.

"It makes little sense to me, for individual companies which are not yet global players of consequence, to go it alone in our local efforts to become internationally significant



MIKE GROCH

"Such companies and other players like the CSIR should work closer together to facilitate entry into new markets"

He says collective strategies will work better and more quickly contribute to improve SA's economic position, while at the same time earn good profits for players involved

"To this end, when collaborative opportunities arise we encourage people in the CSIR to pursue them.

"Also, from a corporate perspective, we're involved in ventures with formal establishments like Safto's Africa Business Development Group and others aimed at the international arena"

Changes needed in SA's approach to technology

(172) B/Day 9/6/92

SA MUST modify its traditional approach to technology to achieve economic prosperity in a changing world environment, says CSIR president Brian Clark.

"Because of the political changes that have taken place in SA, local industry is being subjected to a much more competitive environment, both locally and overseas.

Popular

"We can no longer depend on the 'strategy of hope' approach to R & D management which was popular among large companies and research bodies in the 1950s. Here, bright people and money were combined in the hope they would produce new, successful products

"Now, we must examine the nature of the changing technological environment, and find ways to provide solutions to specific problems."

Clark says international trends reflect rapid globalisation in all spheres of activity, a trend which would not have been possible without the pervasive effect of information technology and telecommunications

Now, competition is growing fiercer as suppliers worldwide compete in terms of quality and price

"The role of raw materials is diminishing, because technology allows more to be produced for less raw material input.

"And the labour force is undergoing significant changes, with a nation's competitiveness being determined less by natural resources and more by its ability to generate and deploy new knowledge"

Worldwide trends in R & D reflect a move towards greater co-operation, between nations, and national research councils are becoming more important.

"The growing importance of 'strategically directed research' and multidisciplinary efforts create a need for centres to conduct high-tech research

"And increasing market orientation and the desire for higher and quicker returns from investment in science require that research councils take note of market trends and perform a technology transfer function in support of industry"

These trends are being felt in SA, where the need to expand regional interaction is another priority

However, SA has a shortage of skilled manpower, hampering efforts to produce solutions to many of its problems

Valuable

He says that globally and in SA, national research councils are being recognised as having valuable established infrastructure

"Locally, they are sometimes seen as part of our colonial heritage, but they have a proven worth in establishing a critical mass of scientists and technologists for specific projects

"They are an enabling mechanism for technology transfer and the ongoing development of SA," he says

prove their quality.

Property education a major contribution

B/Day 19/6/92.

ONE of Sapoa's major contributions to the property industry is its advancement of property education.

It has continually sourced the market for its needs and adapted and expanded its courses to cater for this Five courses are offered at present, says executive director Brian Kirchmann

"The best known of the courses is the property development programme, which is now in its 17th year.

"It has released more than 1 000 participants into the industry," he says.

The programme is a joint venture between the University of Cape Town Graduate School of Business and Sapoa, and is held in Cape Town over two weeks in July and August of each year

It caters for 64 participants and covers the principles of finance, valuation and property law, negotiations, marketing and management

Draws

Designed for executive management, the "live-in" course draws participants from all disciplines of the property industry

The next bi-annual property executive programme will be run in September

The course caters for about 40 participants, drawn mainly from senior executive positions

Matters like the local political and economic climate and the international scenario are examined

The course is designed to encourage group participation, Kirchmann says.

As a result of investigations by the industry among school leavers and the public, a three-year property course has been devised

Starting in January 1993 and administered by Technikon RSA, the course intends to promote vocational training.

"This is the first time that a local Technikon is presenting formal tertiary education in real estate, and we hope that the course will eventually be developed so it can be presented by any university," he says.

A new basic property programme will be launched in October.

It will be an introduction to property, covering elementary economics, law, marketing, finance and a basic understanding of the industry.

The property introductory programme was run for the second time last month. It is designed to improve participants' basic knowledge of the many aspects of the industry.

Shopping centre management and development courses, planned for August this year, will be handled by Chris Cloete from the University of Pretoria Each course will be limited to 25 participants, will be three days in duration and an examination will be written at the end

The shopping management centre course participants will have to carry out a spot analysis of a shopping centre

Background research of the viability of development on a possible site will also be required.

It is planned that both courses will have to be passed before acceptance is granted for a proposed two-year course

"One of our aims is to continue to identify the educational needs of both the industry and the general public and to find ways of catering for these.

"Our courses have been innovative, and we intend to go from strength to strength in this sphere," Kirchmann says

RTNERS

TS

Development

Industry has had to adapt to radical technology change

B/Day 10/6/92

BUILDING industry changes during the past 57 years have been revolutionary.

A gentleman's agreement is now defunct terminology and restrictive hams says

More university graduates have moved across to work with building firms in project management, and there is generally a higher level of professionalism in

Black advancement seen as crucial to corporate survival

STAR 11/6/92 (172)

With less than three percent of black managers in corporate South Africa and even less at supervisory to director level, organisations such as the National Black Management Forum are crucial to further black advancement

This is the view of Lot Ndlovu, executive chairman of the National Black Management Forum (BMF), who was speaking at the launch of the Edgars Black Management Forum (EBMF) in Johannesburg

"The development of black managers is essential for the survival of companies today, and the advancement of black employees should form part of any company's strategic direction," said Mr Ndlovu.

"In the past, many blacks were made managers for the wrong reasons It is our challenge to change this and create a productive and stable workforce.

According to Sales House managing director, Ian Thomson, no issue is of greater concern to the company than the lack of its black employees in executive positions.

"We as a company, are committed to advancing the potential of our employees regardless of colour Proof of that, is that 98 percent of the EBMF members are Sales House employees," said Mr Thompson.

"Edgars and Sales House may not have reached the goals set for employee advancement, but research has indicated steady growth in performance

How to become a top secretary

(172) C/Press 14/6/92

A GOOD secretary is a potent business weapon, says London's *Daily Mail*

No matter what your trade, first impressions count most.

However good the idea, keen the salesman, or well-organised the workshop, all can be lost if that first phone call puts the customer off.

So choosing the right personal assistant should be a top priority for the small businessman.

It is not enough to rope in the wife or another relative on the grounds that they are available and cheap. It is better to employ a stranger who is both well trained and efficient. Even though this will cost more, it will pay surprising dividends in increased business, provided you know what you are looking for.

Astrid Simpson, 28, for the past 10 months personal assistant to a director at the British National Space Centre, offers positive advice for budding personal assistants.

"A large part of my work demands a good telephone technique, dealing with a wide range of distinguished and well qualified people," she says. "They expect you to grasp their meaning quickly, and there is no problem with status provided you are prepared to be flexible

"Perhaps the real secret of being an effective personal assistant is the ability to get on with people across the board, be prepared to work late and not begrudge the extra money it costs to dress fittingly".

Diana Smith has a law degree, is currently engaged as a senior secretary with the Department of Energy, and is on her 102nd "assignment" as a high-grade professional temp. She has worked both in private industry and up to ministerial level in the Civil Service.

"Ultimately, whether or not I get satisfaction from my work depends on the boss," she says. "When you work in the higher levels of the Civil Service, responsibility and initiative go without saying, though you must exercise both with due respect for the status of the people with, and for whom, you are working.

"Dress properly and work efficiently would be my two tips for a personal assistant aiming for the top When a secretary has all the necessary qualities to be a top PA, she should be paid accordingly," she concludes.

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SOWETAN BUSINI

Chamber has a ray of hope

Sowetan 15/6/92 (172)

By JOSHUA RABOROKO

THE Southern Transvaal African Chamber of Commerce and Industries will hold its 22nd annual conference at the Jan Smuts Holiday Inn on Wednesday and Thursday this week

The conference, whose theme is "Meeting the Business Challenges of the Future South Africa", will be addressed by representatives from various business organisations

They include Mr Reuel Khoza, managing director of Co-ordinated Marketing and Management, Mr GJJ Breyl, deputy director general of Trade and Industry, Mr S Thlopane, manager of the CSIR's equal opportunities programme

An ANC representative, who has not yet been named, will deliver a paper on the organisation's economic policy

The conference takes place at a time when South Africa is beleaguered by continued violence, increased crime, rising unemployment, high inflation, a stuttering economic and a political impasse

Resolutions taken at the conference will be forwarded to Nafcoc's annual conference to be held at Sun City next month

Soutacoc president Mr Joe Hlongwane said a move by certain countries in the West and the East to relax sanctions was a ray of hope for the future

"As a chamber of commerce, our main interest lies in business development. To this end, our conference theme is geared to tackle the issues that would address our business emancipation,

"We realise that the road ahead will continue to be rough and full of pitfalls but by working together politically and economically, we shall overcome," he said

Companies challenged to create black managers

BDay 15/6/92 (172)

Business Day Reporter

THE Black Management Forum, dissatisfied with its achievements since it was founded in 1976, has challenged corporations to help increase the number and quality of black managers.

Describing themselves as "capitalists without capital", forum directors told business executives at a dinner on Friday that they intended to work aggressively to achieve goals

Immediate projects included the launching of an MBA course in association with London's City University; research into effective affirmative action, in association with Potchefstroom University's Business School, a programme with the Institute of Directors to develop black candidates for "corporate government", and the introduction of achievement awards for companies leading the way in black advancement.

Speakers stressed that they were against tokenism and did not want handouts.

Forum executive member Zamani Jali said merit had to be the basis of all advancement, but the development of the individual needed support systems.

Other projects announced were a management development fund, a programme on business values in association with the SA Institute of Business Ethics, and the establishment of student chapters.

NEWS IN BRIEF

(172)

Seven to train in US

SEVEN black SA professionals left for New York yesterday on a six-month financial and banking management development programme, sponsored by Chase Manhattan, the Chemical Bank, J Morgan and Co, the First Boston Corp and Citibank

B/Day 15/6/92.

The 1991 annual report will urgently be tabled in Parliament

South African Certification Council: reports

327 Mr R M BURROWS asked the Minister of National Education

Whether he has laid upon the table in Parliament reports of the South African Certification Council as required in terms of section 17(3) of the South African Certification Council Act, No 85 of 1986, for each of the years since the inception of the Council, if not, why not?

B814E

The MINISTER OF NATIONAL EDUCATION

Yes

The South African Certification Council was constituted with effect from 12 December 1986 However, the members of Council were only appointed during 1988, for a period of four years ending on 31 December 1991

According to section 17(2) of the South African Certification Council Act, 1986 (Act 85 of 1986) the Council must not later than three months after the end of each financial year submit to the Minister a report on its functions during that financial year, including an audited balance sheet and a statement of income and expenditure To date the South African Certification Council has submitted the following Annual Reports to the Minister of National Education whereupon the reports were tabled according to section 17(3) of the above-mentioned Act

1988/89, 1989/90 and 1990/91

Regarding the 1991/92 Annual Report it is expected that the report will be submitted towards the end of June 1992 which means that it will only be tabled during the next session of Parliament

South African Council for Natural Scientists: reports

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Whether he has laid upon the table in Parliament reports of the South African Council for Natural Scientists as required in terms of section 9(5) of the Natural Scientists' Act, No 55 of 1982, for each of the years since the inception of the Council, if not, why not?

B815E

The MINISTER OF NATIONAL EDUCATION

For every year since the inception of the South African Council for Natural Scientists a report was tabled in Parliament However, a combined report covering 1987/88 and 1988/89 was tabled during the 1990 session of Parliament The reason why a separate report for 1987/88 was not tabled during the 1989 session, was the administrative problems the Council encountered as a result of—

(a) the relocation of the Council's administrative offices, and

(b) the serious illness of the Registrar of the Council who died during June 1989

Certification Council for Technikon Education: reports

329 Mr K M ANDREW asked the Minister of National Education

Whether he has laid upon the table in Parliament reports of the Certification Council for Technikon Education as required in terms of section 16(3) of the Certification Council for Technikon Education Act, No 88 of 1986, for each of the years since the inception of the Council, if not, why not?

B816E

The MINISTER OF NATIONAL EDUCATION

Yes

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Amount spent on industrial infrastructure

331 Mr A E DE WET asked the Minister of Regional and Land Affairs

What total amount was spent on industrial infrastructure in (a) Phuthaditjhaba, (b) Industriqwa and (c) Botshabelo in the 1990-91 financial year?

B818E

The MINISTER OF REGIONAL AND LAND AFFAIRS

(a) Phuthaditjhaba	R	14 135
(b) Industriqwa	R	12 080 459
(c) Botshabelo	R	337 669

Requests by foreign journalists refused

333 Mr P G SOAL asked the Minister of Home Affairs

(1) Whether any requests by foreign journalists or other members of the foreign media to visit South Africa in 1991 were refused, if so, (a) how many, (b) what were the names of the individuals concerned and (c) which newspapers or organizations did they represent,

(2) whether he will furnish the reasons for refusing these requests, if not, why not, if so, what were the reasons in each case?

B820E

The MINISTER OF HOME AFFAIRS

(1) (a) The hon member is referred to my reply to his Question for written reply, No 231 on 20 May 1992

(b), (c) and (2) It is not considered expedient to disclose information of this nature, as an application for a visa is a personal matter between the applicant and the Department of Home Affairs

Amount set aside for monitoring of media

334 Mr P G SOAL asked the Minister of Home Affairs

(a) What amount of the total amount allocated to his Department for the 1991-92 financial year has been set aside for the monitoring of the media and (b) how is this amount made up?

B821E

The MINISTER OF HOME AFFAIRS

With the withdrawal of the Media Emergency Regulations on 2 February 1990, monitoring of the media by the Department of Home Affairs was discontinued No amounts have therefore been set aside for the monitoring of the media since then

Work force participation of women

335 Miss M SMUTS asked the Minister of Home Affairs

(1) (a) What was the work force participation of women in the Republic during the latest specified 12-month period for which statistics are available, expressed both as a percentage of the total work force and in figures, and (b) what percentage of women in the work force were (i) Black, (ii) White, (iii) Coloured and (iv) Asian,

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B823E

The MINISTER OF HOME AFFAIRS

(1)* (a) 33,3% 3 687 000
(b) (i) 65,4%
(ii) 17,9%
(iii) 14,0%
(iv) 2,7%

(2)**

	(a)	(b)	(c)	(d)
(i)	152	3 059	67	467
(ii)	316	1 211	147	115
(iii)	73	2 438	61	185
(iv)	32	1 709	111	111
(v)	28	900	30	41
(vi)	256	26 432	947	844
(vii)	1 244	25 672	1 429	1 073
(viii)	80 676	42 321	22 922	6 183
(ix)	38 085	35 223	12 693	3 525
(x)	132	2 439	123	110
(xi)	48 253	344 104	56 313	25 591
(xii)	39 081	55 487	20 317	8 694

(3)** (a) (i) 6,7%
(ii) 11,5%
(b) 29 March 1990

* Mid-year estimates as on 30 June 1990
** Manpower survey as on 29 March 1990—excludes Agricultural sector and Private households

Charges against persons withdrawn: Bruntville

338 Mr W U NEL asked the Minister of Law and Order

(1) Whether charges against persons who were arrested and disarmed at scenes of violence and multiple murders in Bruntville on or about 4 December 1991 were withdrawn owing to lack of evidence, if so,

(2) whether sufficient new evidence has since been found to enable the South African Police to bring fresh charges against those concerned, if not, what steps are being taken to collect such evidence, if so, when will charges be pressed,

(3) whether he will make a statement on the matter? B834E

The MINISTER OF LAW AND ORDER

(1) Yes

(2) No, the case is still under investigation New information is evaluated and investigated on a regular basis, but up to date no *prima facie* evidence could be found to enable the South African Police to bring charges against those concerned

(3) No

Amounts owing to the State

339 Mr H J BESTER asked the Minister of Law and Order

(1) Whether any amounts are currently owing to the State in respect of costs awarded to the State or any state official in any unsuccessful court applications or any other civil actions brought by persons, or on behalf of persons, who were detained, banned or otherwise acted against in terms of the provisions of the Internal Security Act, No 74 of 1982, or any regulations promulgated in terms of section 3 and/or section 5A of the Public Safety Act, No 3 of 1953, if so, (a) what amounts and (b) in respect of what date is this information furnished,

(2) whether he intends to institute civil proceedings for the recovery of these amounts, if so, what are the relevant details? B835E

The MINISTER OF LAW AND ORDER

As the information required is not recorded and other departments are also involved, the question cannot be replied to within the period specified

SAP: progress in solving of certain murder cases

342 Mr L FUCHS asked the Minister of Law and Order

Whether the South African Police have made any progress in solving the murders of certain persons, whose names have been furnished to the Police for the purpose of the Minister's reply, which occurred during the period 1 November 1977 to 30 April 1992, if not, why not, if so, what progress? B844E

The MINISTER OF LAW AND ORDER

As a result of the extent and nature of the question it is not possible to reply within the prescribed time

Social Relief Scheme for Farmers and Farmworkers

344 Mr J H MOMBERG asked the Minister of National Health

(1) (a) On what date did the Social Relief Scheme for Farmers and Farmworkers come into operation, (b) as at the latest specified date for which information is available, how much money (i) was available for disbursement in this scheme and (ii) had been disbursed to persons in need of aid and (c) in respect of each of the recipients of such aid, what are the particulars in regard to (i) race, (ii) sex, (iii) age, (iv) magisterial district, (v) type of farming activity and (vi) occupation,

(2) whether any farmers, while receiving such aid, retrenched or dismissed farmworkers, if so, how many,

(3) whether aid granted in terms of this scheme is distributed to farmworkers directly, if not, why not,

(4) whether representatives of farmworkers have been included in the (a) steering committee of or other structures responsible for this scheme and (b) district assistance committees, if not, why not in each case,

(5) whether she will take steps to ensure that all the structures of this scheme are made more representative of (a) those at whom the aid is directed and (b) the population of South Africa, if not, why not, if so, (i) what steps and (ii) when,

(6) whether any church denominations, trade unions and/or other representative institutions have been drawn into this scheme, if not, why not, if so, (a) which (i) church denominations, (ii) trade unions and (iii) other representative institutions and (b) for what reasons was each of these so drawn in? B841E

The MINISTER OF NATIONAL HEALTH

(1) (a) 1 April 1992,
(b) 31 May 1992
(i) R20 million
(ii) R2,5 million and
(c) specified information is not available,

(2) no, not as far as known,

(3) no, assistance is given to farmers in order to meet the needs of their farmworkers,

(4) (a) and (b) no, because the farmers apply for assistance for their farmworkers and the farmers' financial circumstances are evaluated in order to qualify for asssistance,

(5) (a) yes,
(b) yes,
(i) negotiating more representative composition within the existing structures,
(ii) according to needs,

(6) (a) (i) yes, the prominent church societies operating in each area,
(ii) yes, farmers' associations, Women's Agricultural Union, South African Agricultural Union,
(iii) banks, co-operatives, agricultural credit boards and welfare organizations,
(b) to promote community participation

Amounts granted in aid in terms of certain scheme/programme

345 Mr J H MOMBERG asked the Minister of National Health

(1) (a) What are the (i) minimum and (ii) maximum amounts granted in aid by her Department to recipients in terms of the (aa) Social Relief Scheme for Farmers and Farmworkers and (bb) Nutrition Development Programme and (b) what factors are taken into account in calculating these amounts,

Centre boosts businesses

172

Sowetan 19/6/92

By JOSHUA RABOROKO

THE Sanlam Centre for Small Business Management was officially opened by the company's senior marketing manager, Mr Piet Craven, at the Technikon Northern Transvaal.

Sanlam is donating R15 000 to the centre for a period of five years This year an additional R50 000 will be donated which makes a total of R125 000

Craven said that the development of business skills for small business was "very important for the future of our country".

He said small and medium size enterprises provided employment for 24,5 percent of the economically active

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In my view . . .

A daily commentary on current economic affairs by writers of The Star.

Businessmen suffer from 'quarteritis'

STAR 23/6/92 (172)

By John Spira

Quarteritis is a disease afflicting most Western businessmen It's a malady akin to myopia — one which focuses the sufferer's planning vision on the near term to the exclusion of any long term perspicacity.

Thus the term "quarteritis" — a preoccupation with results achievable in the next quarter rather than strategies founded on achieving success two to three years down the line.

Among South African businessmen the disease has become an epidemic, because the hazy political horizon has created the perception that circumstances beyond the quarter that lie ahead will be so changed that it isn't possible to formulate business plans today that will impact on the firm's long term future.

This is why investment in new plant and machinery has come to a standstill; why even replacement and refurbishment is deferred at all costs; why staffing is slashed at every possible opportunity; and why inventories are at levels lower than ever before.

Some form of medical help is clearly necessary, since sober reflection reveals that the perspective is severely distorted

Any practitioner worth his salt will tell you that the cure for quarteritis is a treatment which drives home the realisation that the shape of the economy won't alter much in the years ahead — no matter how a future government is constituted.

Firstly, no nation can operate effectively without the rule of law

Secondly, the free market system has been a winning formula for success throughout the world so much so that tomorrow's government will have no option but to adopt it.

Thirdly, it is being increasingly recognised that additional taxes simply cannot be squeezed out of the economy.

Finally, the pride gained by the majority as a result of achieving the equal status for which they've so long striven can but benefit a nation whose work ethic falls woefully short of the optimum.

The ultimate message? Make the effort to see the wood from the trees. If you don't succeed, seek treatment for your quarteritis.

Few women in top posts

(172)

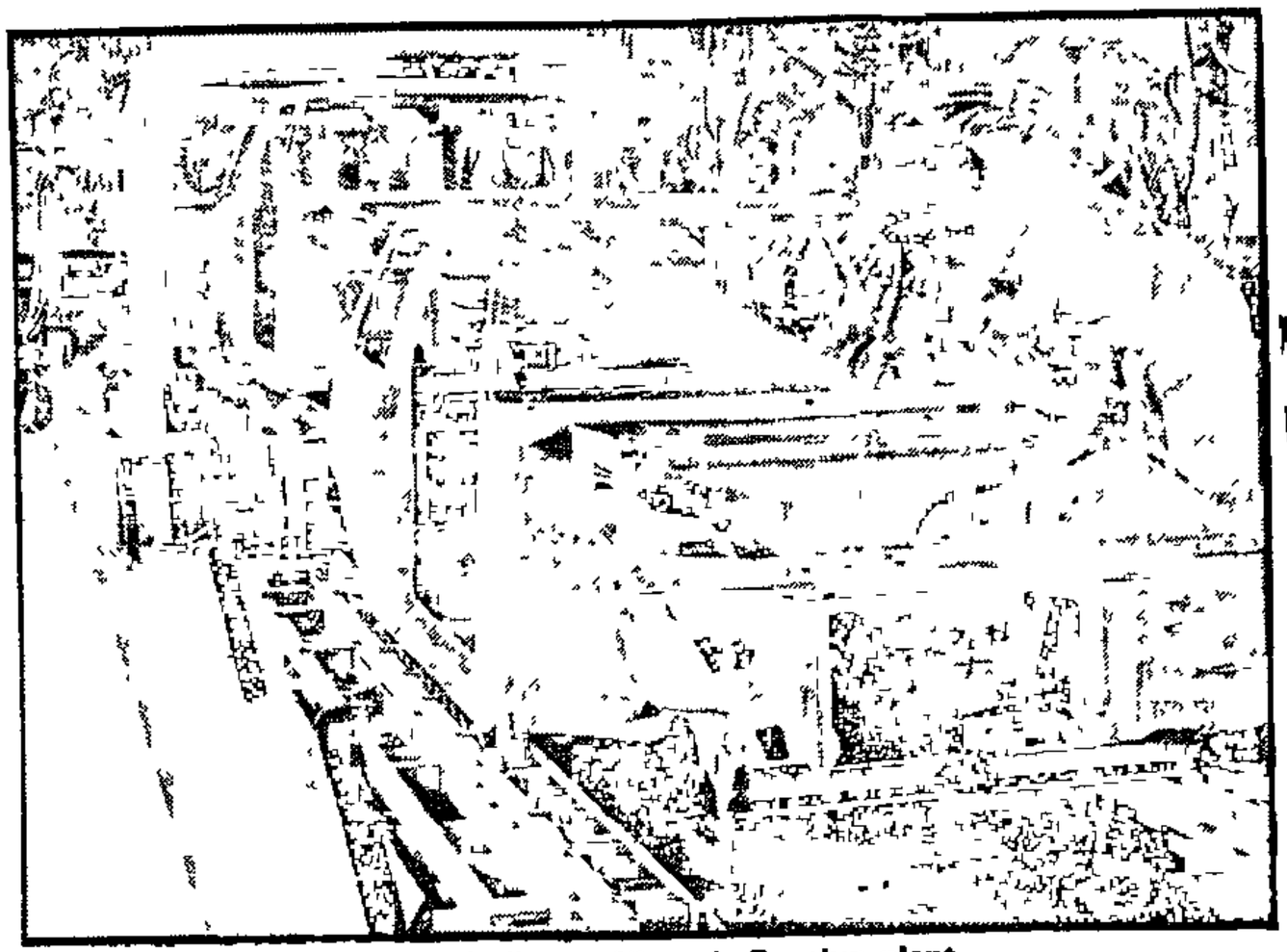
Political Staff

CAPE TOWN — A third of SA's workforce were women and more than 65% of them were black, Home Affairs Minister Gene Louw said yesterday B/Day

There were 3 687 000 working women in 1990, but only 6,7% were in high-level and 11,5% in middle-level positions, Louw told Parliament 24/6/92

He said 65,4% of working women were black, 17,9% white, 14% coloured and 2,7% Asian

Louw said 80 676 of the black working women were teachers, 38 085 nurses, 48 253 clerical staff and 39 081 sales workers Among white women, 344 104 were clerical workers and the balance were sales staff, teachers and nurses



Assembly line at Nissan's Rosslyn plant.

Denel division Mexa tops in solving corporate problems

B/Day 26/6/92 (172).

A DIVISION of Denel has become the leading company in the field of corporate problem solving

Pretoria-based Mexa provides scientific solutions to problems taxing the minds of executives in about 100 of SA's top companies

Mexa, a division of Denel, the multi-faceted industrial giant which came into begining on April 1, is more than just a management consultancy

According to marketing manager Henk Koster, Mexa is "essentially in the solutions game, the scientific generation of solutions is our business", he says

Its work is one example of how the former arms manufacturer and procurer is beating its swords into ploughshares

Mexa currently has a turnover of about R20m a year and its services are in demand from some of SA's top blue chips in fields as diverse as paper making, forestry, office furniture, transport and the motor industry

Most of the biggest parastatals are on its books as well as the SABC, SADF, Pretoria City Council, Nissan and Samcor

Mexa operates with a professional capacity of about 70 highly-trained people, each an expert in at least one field

Academic

Allied to this is a countrywide network of academic experts, many of them based in Pretoria, with whom Mexa interfaces

Although the state is its only shareholder, Mexa receives no subsidy

"Our job is to provide insight into complex problems," says Koster

"The client is obviously an expert in his own field, but we can do the number crunching for them and come up with a variety of options on how to optimise business results In the current economy everyone is hard-pressed"

Mexa, says Koster, has the ability and resources to examine every aspect of the environment in which the manufacturer is working It also boasts some unique occupational safety and industrial systems engineering capabilities

Mexa has developed a computer-based vehicle despatching and tracking system providing security as well as economic advantages to the user Real time vehicle positioning is obtained through the only SA-developed and manufactured satellite tracking system

Mexa also advises on the placing of facilities While an urban planner may have a specific and expert input, Mexa analyses all the cross-effects

But it also takes a holistic approach Says Koster "In short, what we provide is a one-stop creative problem-solving facility"

STAR 27/6/92.

(192)

THE place for most women is in the home, even if it means working from there, says Frances Kendall in an interview with THELMA TUCH-GABAY.

WOMEN should back off from competing with men in the corporate world It's a waste of time and they will probably lose in the end

So says Nobel Peace Prize nominee Frances Kendall, the author of a number of best-sellers, including "Super Parents, Super Children" and "The Heart of the Nation" She is currently writing another book — this time about gender differences — to be published next year

Men and women, she says, are endowed with different strengths — their brains work differently and they are good at different things. Women don't have as strong a competitive drive as men, and those with a family are logistically unable to commit as much time to the job, she says

"Women are evolved with strengths that make them good mothers and housekeepers They must stop buying the stuff that tells them they are cabbages unless they are working"

The trend for women to move up the corporate ladder and take on jobs previously done by men has simply not taken off, she says "We would have thought that by now women would be getting to the top of their companies, but it's not happening on a large scale

"Women often don't want to move up the ladder because it means working longer hours"

Also, she adds, women are not prepared to devote themselves to their work at the expense of time spent with their family — some thing men manage to do with ease Her advice is for working mothers to stop trying to compete with men and to choose jobs that allow them to work from home on a flexible basis

In Kendall's opinion, mothers should stay at home, if possible, until their children are three years old The notion of working mothers spending "quality time" with their children in the evenings is a load of rubbish, she says.

Spending "quality-time" with the children is fine for fathers, but not for mothers

Workshops 'will aid black advancement'

B/Day 29/6/92 172

WILSON ZWANE

CONCERTED efforts should be made to usher more black graduates into top managerial positions, says a leading management consultant.

In an article to be published in People Dynamics, an Institute of Personnel Management publication, Zama Umlaw of Andersen Consulting says, only 1,2% of SA's managers are black

With the scrapping of legislation which hampered the upward mobility of blacks in commerce and industry, it is expected that more black graduates will rise to managerial positions. However, this cannot be achieved without "the concerted efforts of commerce, industry and black graduates".

Commerce and industry need to help prepare black graduates for managerial positions by, among other things, holding workshops or seminars at schools and universities on aspects of business.

Umlaw says these workshops and seminars will help eradicate the misconception, under which black graduates often labour, that academic qualifications alone will put them "in the higher echelons"

Top speakers for Wits Winter school

ENOS MABUZA

(172)

By JOSHUA RABOROKO

Sowetan 30/6/92

TOP political and economic leaders will address delegates at a Winter school at the Wits Business School from today to Friday

The Business Olympics, hosted by the Association of Students Interested in Economics and Management of South Africa, will be attended by students from universities and technikons to discuss the present social and economic changes facing the country

Speakers include Dr Antonie Geldenhuys, chairman of the Peace Secretariat, Dr Nick Binedell, director of Wits Business School, consultant Mr Enos Mabuza, Ms Lilian Boyle of Rennies Travel and Mr Marcel Golding, assistant general secretary of the National Union of Mineworkers.

AIESEC is the largest international, non-political, non-profit student-run organisation in the world and aims to create opportunities for exposure and interaction between young people of different cultures and nations.

To contribute to the changing South Africa, the organisation strives to develop students interested in economics and the management process to be aware and effective participants in the business environment

This 15th annual winter school will cover labour relations, job creation, sustainable development, violence in South Africa and the South African and international business ethics

Graphic RUBY-GAY MAR

Input wanted

S/Times (Buss) 5/7/92

PROGRAMMES to increase the upward mobility of blacks in organisations have generally failed — and SA's largest personnel management group is looking for fresh input to devise a strategy

Input is sought not only from human resource managers, but from as wide a range as possible — including line managers and disadvantaged groups.

The Institute of Personnel Management (IPM) will run a series of workshops on black advancement until the end of the year.

Those interested may get in touch with Ivan Latti at (011) 453-1501 or Riana Greenblo at (011) 788-0604.

London gold

Ability to negotiate is vital for everyone

Bday 11/7/92 (172)

SUCCESS in management training during the next decade will depend on SA's willingness to develop a new generation that is creative, critical and self-empowered

CTU training manager Don Wiggill says university and some other educational institutions fail to adequately equip students with life skills

Graduates enter the business world unsure of how to cope with problem-solving, decision-making, stress management, communication, negotiating and other skills

De Beers Diamond Service senior training manager John Gatherer recognises the importance of addressing the academic gulf resulting from disadvantaged education

The company now sponsors selected commercial and technical students on a year's pre-university bridging programme and CTU has developed a business preparedness programme

Wiggill and Gatherer have realised that a lack of life skills and social skills are not limited to matric and university graduates

"Most aspirant managers in the corporate world struggle to cope with the work environment," says Wiggill.

"Thus over the past two years we have developed and refined BPP to assist in the success of future leaders"

Specialist

Life skills specialist Wiggill says CTU — the largest human resource institution of its kind in Africa — offers a three-day negotiation skills programme

"People of all ages and positions, need to have mastered the art of negotiation before they can get their own way

"However, too many view negotiation in awe, thinking it is a special skill They don't realise they need negotiation every day of their lives," he says.

Effectiveness versus cost is key element

B/Day 7/7/92

THE ability to justify the cost of training against effectiveness is one of the most common elements missing from many programmes, says Keyboard Productivity manager Eric Cowling

"In SA — a country in great need of productivity improvement through effective training — this factor must be built in to ensure acceptability of the training programme"

Programmes which can be seen to work and can be measured to show return on investment are of great value to management.

172 **Measure**

With this in mind, the company has recently installed new software on its Keysoft training programme which can be run and managed without frequent calls to consultants.

This enables management to measure progress achieved through keyboard training and to set specific goals through a system of reporting

Keyboard Productivity provides training programmes for improving the performance of operators of PCs, word processors, computer typesetters and other hardware

"After effective keyboard training, productivity increases of between 40%-60% can be expected, with an error reduction rate of 80%-90%."

Top executives need to know more about computer benefits

(172) B/Day 7/7/92

THERE is a crying need for top quality executive training in SA, but most generally available courses do not meet senior managers' specific needs, trainers say

Sage Computing Training manager Jane Yeomans says executives have neither the time or inclination to attend scheduled training sessions

Despite this attitude, she says they undoubtedly do need training in many varying fields

"The only successful option is to provide highly relevant, to-the-point courses which cover exact business requirements in as short a time as possible"

Education is essential, especially in the fast-moving computer arena.

"Many of today's executives are from the 'born before computers' era and there is an obvious need for them to understand the power and innovations of PCs, as well as the benefits that can be achieved in order to improve the company's performance."

Although the importance of computer training cannot be over-emphasised, the education process must be properly handled or it can be a waste of time and money

However, Yeomans says formal education is only expensive if it is badly managed.

"Professional training is the only method of improving staff productivity and maximising investment in computer equipment

"Inadequately trained employees and executives can cause repercussions all the way through an organisation

Sage Computing Education division provides specialised half-day training sessions tailored to meet the executive's needs.

She says top business people do not need to know which buttons to press, but require a general overview of the technology

While they are not expected to be experts in the computer field, they must have a broad working knowledge

Real Systems director Lorraine Cock says more executives are demanding to create their own PC application programs

"Business users know they have the computing power and facilities at their fingertips — they just don't know how to harness it"

She says writing basic applications on LAN-based computers is actually far easier than many believe

Future solution lies in nonformal sector

B/Day 7/7/92 (172)

THE nonformal educational sector is the only solution for the extended educational needs of a new SA, says Human Sciences Research Council chief researcher Andries Drost

"Employment opportunities are changing and the nonformal educational establishments will be providing the most applicable skills for the market place

"The formal tertiary sector cannot cope with the current educational demands from both a structural and a labour demand point of view Limited facilities and the cost of formal education are making the formal sector prohibitive to a large percentage of the public"

Drost says SA is placing more reliance on nonformal tertiary establishments to cope with fluctuations in the working world

The Association of Private Colleges of Southern Africa (APCSA) is a bona fide body for the nonformal educational sector With about 100 members, it offers a range of courses

APCSA chairman Harry Edmonds says the body is striving to maintain the highest standard of education and training throughout its member colleges

On August 14, APCSA will stage a conference in Johannesburg focusing on future skills training, manpower development and funding Drost will be among the speakers drawn from commerce, industry, government and the ANC

Productivity-boosting sales course on offer

B/Day 7/7/92

THE National Productivity Institute (NPI) is planning a bumper productivity-boosting sales training course to be presented in five cities this month.

Statistics show that, on average, sales people in SA spend only 27% of their time in front of clients, with some spending as little as 11%, says NPI marketing and sales manager James Cagney.

Thousands of people are expected to attend the course, which will be the largest organised gathering of its kind in SA, he says.

Organised in conjunction with the Self Development Foundation, the seminar kicked off yesterday in Cape Town, today it will be held in Port Elizabeth, in Durban on July 9, Johannesburg on July 13 and Bloemfontein on July 16.

The NPI has focused on sales productivity as an area that needs dramatic improvement

Cagney expects the series of seminars to have a far-reaching effect on the economy since well over 100 000 people are employed in the sales field.

"Our problem is not so much the poor sales skills of sales people, but the ineffectivencss of sales management Most come from the ranks of sales people, with little or no managerial training and told to get on with the job," he says

SA firms demanding more specific curricula

B/Day 7/7/92 172

LIKE overseas companies, SA firms have become discriminating and are demanding more company-specific management courses — moving away from off-the-shelf programmes open to all-comers

Local management courses supplied by university business schools, including MBA degrees, are thus being increasingly tailored towards corporate needs

Executive courses, as opposed to degree programmes, are also assuming a progressively higher profile in management schools' budgets in order to meet local business conditions

Partly contributing to lessening demand for old type, off-the-peg programmes has been the impact of the recession on company expenditure, with a growing need for value-for-money courses

So says University of Westville Durban business finance specialist Narendra Bhana

Other sources say additional influence stems from a steady rise in professional in-house or contracted training teams employed by companies themselves

Company difficulty in meeting the rising cost of MBAs is exacerbated by the executive student often being detached from his organisation for the normal 12-month period to attend full-time lectures

"Although corporates are still enrolling MBA candidates in good numbers, they want company-related, more practical courses, not MBA programmes that are too general or provide too much theory

Changes

"Gone are the days when instruction was based heavily on case studies from Harvard, the London School of Economics and even multi-national conglomerates like IBM," says Bhana

While local business schools have tended to follow their trendsetting counterparts overseas in recent years, some have instituted changes to meet local management conditions

Westville is among those responding by structuring courses to "provide benefits that can be implemented immediately at company level"

Another is Durban-based Centre for Advanced Management Development (Camdev), which searched the US and UK before opting for the sole SA distributorship agreement of a distance-learning MBA from Scotland's old Heriot-Watt University

Camdev director Neill Stevenson says a criticism sometimes levelled at the MBA degree is that it is overly theoretical and not sufficiently relevant

"Heriot-Watt has ensured that its distance-learning and modular degree is tailored for people in outlying areas and is highly practical, both in SA and in the UK"

Changes are also afoot to meet expected demands of a new SA where more blacks will be required to take up higher management posts, says Bhana

Yet another trend among more business schools is for part-time courses based on after-hours classes

"Here we have experienced an annual 25% increase in enrolment, particularly in the past two years," says Bhana

Local and overseas company demand is also increasing for "Executive MBAs" (as opposed to the normal MBAs) which allow managers to return to the office for short periods

The University of Stellenbosch's executive MBA is popular and the University of Westville plans to follow suit with a similar programme

Executive MBAs entail fewer lectures and more problem-solving situations

While local demand for all MBAs remains reasonably firm, some UK employers reportedly perceive the typical 28-year-old MBA as being trained for no position less than chief executive of a corporation

Unemployment

They add that the MBA has become a staging post on the way to temporary unemployment amid the recession in Europe

However, most overseas educationists pour scorn on this stereotype

London Business School principal George Bain says growing acceptance of MBAs is evidenced by both the rising number of students and of employers willing to sponsor them

But he concedes that some firms are reluctant to hire freshly-minted MBAs as the number of job offers has dropped by a quarter in the last two years

British MBA to be marketed in SA by Camdev

B/Day 7/7/92 (172)

A NEW option in management development introduced to SA in April is a distance-learning MBA programme, developed by a British university

Centre for Advanced Management Development (Camdev) director Neill Stevenson believes this new MBA programme will make a valuable contribution to SA management

SA's shortage of qualified managers is reaching alarming proportions, he says

If steps are not taken to remedy the situation, the ratio of managers to managed is expected to increase from 1 40 now to 1 70 by 2000 when at least 100 000 new top managers will be required

Limitations

"Our traditional education system cannot meet these needs. Local business schools have financial, human and infrastructural limitations which prevent them from producing enough graduates"

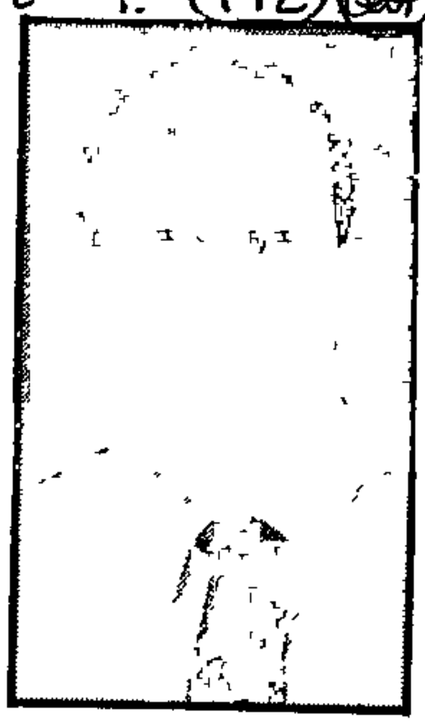
Stevenson says Wits Business School, for example, produces just over 100 MBA graduates a year The answer must lie in alternative educational options

Camdev is marketing the innovative distance-learning MBA offered by Heriot-Watt University in Edinburgh, Scotland

"It provides the highest standard of academic excellence, is internationally recognised and offers students value for money"

He says that among the MBA degree's unique features is that it caters for people in outlying areas with a flexible study duration of 18 months to seven years

It is also open to anybody without regard to previous academic qualifications or a graduate management admission test



NEILL STEVENSON

"This is because Heriot-Watt University recognises that executives with the intellect, ability and motivation to complete an MBA degree should be given the chance to do so, irrespective of whether or not they already have an undergraduate degree"

However, a potential student without an honours degree must pass two of the seven compulsory courses before being registered for the MBA

Options

There are MBA-type options available in SA from overseas institutions which are not universities But unlike other countries — such as the US where standards vary significantly — British post-graduate degrees are held in high esteem, he says

Stevenson visited many excellent UK and US educational institutions before choosing this "very practical" degree

He says Heriot-Watt is a traditional university that employs a system of outside examiners from other universities to ensure uniformly high standards

Business Day SURVEY

Corporations and business schools are paying more attention to management education but some training experts feel not enough is being done for lower management and ordinary employees. One player says companies must commit to investing in staff and acknowledge it is an investment of capital and not an unnecessary cost.

***LYNN CARLISLE** reports.*

Training should be seen as a capital investment

B/Day 7/7/92

TRAINING courses and educational programmes are under the spotlight as more businesses and educational and training institutions reappraise priorities.

While corporations and business schools pay greater attention to management education, some say not enough is being done for lower management and ordinary employees

The focus is on executive education as more companies accept that an organisation's competitive edge is related to its business knowledge base, says Wits Business School director Nick Binedell

Business schools are being challenged to empower the individual and the organisation by providing applied knowledge rather than theory.

Another trend is the use of business schools to run in-house programmes — an effective option for putting management teams through programmes

SA management has traditionally relied on US and European management principles However, Binedell says for management education to be effective it must be rooted in the SA context

For years, organised commerce, industry and trade unions have called for better education, career development, vocational training and literacy improvement Some representative bodies also want conventional ideas about formal training schemes to be reconsidered.

However, Africa's largest human resource training centre, CTU, remains concerned about the general attitude of corporate leaders towards the training and development of SA's human resources

Commit

Assistant manager (management development) Dukes Zondi says this must change or companies "will not forge ahead and effectively employ foreign investment Companies must commit themselves to investing in staff and acknowledge it is an investment of capital and not an unnecessary cost"

Zondi says training and development budgets are the first to be cut at the slightest economic hiccup

"Time off for training is a tentative consideration in SA companies' planning Perhaps we should take heed of other economic communities that consider training as ultra-important and a permanent feature of the company"

He says SA's supervisors and middle managers are inadequately equipped, yet expected to be leaders at operational level

"Senior management is grossly overstretched and cannot accomplish the vital role of strategically positioning companies in SA, let alone in global markets"

Meanwhile, current training trends have apparently undergone a major change in emphasis.

Corporate training focus has moved from technical training to holistic development of softer communication skills, says Voice Clinic founder Monique Rissen

She says "To empower people with basic communication skills is absolutely essential"

Product knowledge is not enough "It is the way we sell ourselves and our company that is important

"Business people at all levels need to speak clearly, put their ideas across effectively and enhance skills of persuasion"

Emphasis placed on regional branches

(172)

B/Day 8/7/92

AN increasing emphasis is being placed on the CFA's regional associations and co-operation between them

The institute now has nine regional associations, namely Pretoria, West Rand, East Rand, Free State, Natal, Border, Eastern Cape, south-eastern Cape and western Cape

The Lowveld and Natal Midlands regional committees are the newest additions and are working hard to generate enough interest among members to reach regional association status

The western Transvaal, northern Transvaal, Vaal Triangle, and northern Natal areas are earmarked to have their own regional associations in the future

The goals of the associations are firstly to promote contact among members in the regions so that they can discuss any problems they may be experiencing

They also establish contact with the CFA's sponsoring bodies, which include SAICA, the CIS, and CIMA at the local level

Contact

They make contact with bodies such as the local Receivers of Revenue.

Each regional association has a number of meetings each year, with the larger ones meeting monthly

At these meetings, social interaction is important, but so is the members' input on any technical or other issues which may need to be reviewed by the CFA's Johannesburg national office

The regional associations are also important for members' continuing education, seminars, workshops, and other activities in this arena

Practising members always form the core of regional associations, because they benefit most from contact with fellow members in the areas

An important task for the regional associations is promotion of the institute

They also recruit new members to the CFA and discuss the institute with students.

Each year, the Free State organises a spring school over a weekend, where experts cover topics such as tax and general accounting issues This year's event will be the third

The coastal associations were involved in an inter-regional workshop in Knysna this year

New committees make an important contribution

B/Day 8/7/92

AS THE CFA's resources increase, greater emphasis is being placed on looking after the extra demands being made by members

The institute's recently-established committees have made a number of important contributions

The move is aimed at giving practising and non-practising members greater involvement in the bread and butter issues which affect the CFA

The overall intention is to involve members from all regions to ensure a wider coverage than has been possible in the past

CFA committees are established to spread workload and responsibility and operate as an extension of the national office and council

Each committee has its own terms of reference, but these terms are limited to various authorities

The promotion committee works on promoting the institute on both national and local levels

This committee identifies promotional opportunities, looking for target audiences and obtaining sponsorships

(172)

Strategy

It also makes suggestions which may be included in the CFA's promotion strategy, and assists in implementing the promotion strategy at regional level

The continuing education committee assists with courses, workshops, presentations and seminars

It is expected to identify areas in which continuing education is required, and to consider alternatives for presenting courses in these areas

It also identifies course presenters, and helps with practical arrangements at regional level

The member services committee identifies areas in which member benefits and services are required, and investigates these prior to introducing them It prepares guidelines for members

The accounting standards and practices committee acts as an advisory body to members and to council

It is expected to identify areas for setting of standards and to recommend guidelines for maintaining them

It also considers and comments on generally accepted accounting practice

It also liaises with other bodies which deal with similar areas of interest, and issues documentation for members when needed

The committee helps individual members when this is called for

The tax and trusts committee acts as an advisory body to members and to the CFA's council

It reviews and comments on proposed legislation, while also examining promulgated legislation and working on the practical aspects of implementation

This committee also liaises with tax authorities and other tax bodies when necessary, and provides opinions and assistance to members

Broadening the scope of work for members

B/DAY 8/7/92 (172)

WITH constantly changing legislation and a never-ending flood of inquiries from members, the CFA set up a technical department in 1990

Technical manager Linda Jarvis says one of the first moves was to launch a close corporation service, comprising a looseleaf, commercially available publication

The department must also interpret the requirements of clients to assess whether members can perform certain functions

"For example, they can perform a wide range of professional duties, but can't contravene The Public Accountants and Auditors Act

"Effectively, we try to broaden the scope of work which our members can perform, as accounting officers, because many members believe they are qualified to do more

"This, in turn, has resulted in representations to government departments, but the main thrust is to promote our members so the business community realises that they can perform certain work, according to the standards they have achieved"

She says the CFA has filled an important gap in the economy for people with a recognised qualification as a critical supporting role to the more specialised and highly qualified CA level

Majored

"Now, as many as 90% of our members are university graduates who majored in accounting," she says

With the shortage of skills in the accounting profession, the CFA is working hard at ensuring that its members are utilised to fill gaps in certain areas To this end it is keen to be included in more statutory and related debates.

One example of how the CFA works on behalf of members is its recent coup in allowing its members to provide certificates for farmers lodging drought relief scheme claims

Initially, certificates had to be provided by CAs

Similarly, clients wanting bank finance were not allowed to have financial statements signed by an accounting officer, but this is now accepted

When it comes to helping on the legal side, the CFA engages advice from a reputable legal firm to assist with interpreting particular legislation

"Our service is free, but we generally follow up only on queries whose findings will benefit members as a whole, or a particular section of members For this reason, queries must be of a general nature

Because CFA members must comply with Generally Accepted Accounting Practice (GAAP), she says it is vital that they have the literature, resources and technical support available to them

"To help cope with the volume of queries, we introduced our technical bulletin which is suited to generic queries

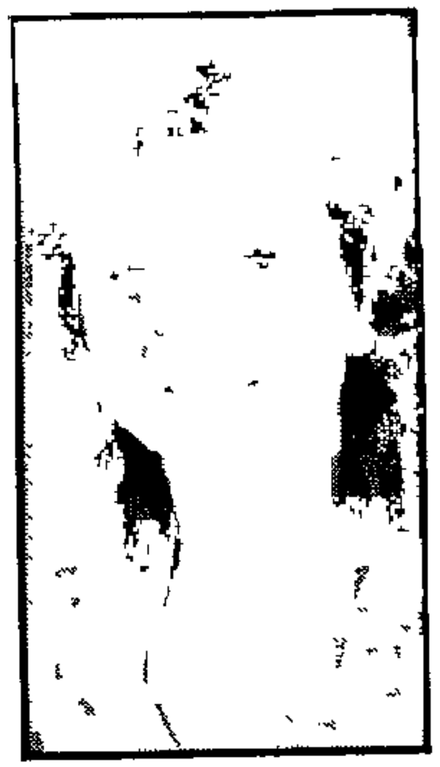
The bulletin is divided into various sections For example there are Goverment Gazette summaries or reproductions of certain aspects in the gazette, and practice notes issued by the Receiver of Revenue, or by the VAT section of Inland Revenue and it includes various answers found for a particular member, but useful for many

Popular

"This has proved popular, and we find members of other institutes are now buying the bulletin which is available on subscription"

With the discovery that members working in different fields have specific requirements, the CFA launched a supplement to its in-house journal, FACT

"The FACT Technical Supplement, for example, looked at the review between public and private companies and at examples of financial statements for ccs It has attracted substantial interest from members and other bodies," she says



LINDA JARVIS

The technical department also has a technical reference library to supplement members' libraries

"We also issue a fee guideline for practising members

Here, we don't compel members to charge a certain fee, but at least they have an indication of what they can expect to be paid for work they do"

Membership trends mirror changing SA

B/Day 8/7/92 (172)

MEMBERSHIP patterns of the CFA mirror the changes taking place in SA

Increasing numbers are black, indicating the swing towards formalising businesses previously operating in the informal sector

The institute now has an estimated 100 black members, 540 coloureds and Indians, and the ratio of male to female members is 8,5 1

Of the CFA's 1 100 students, 45% are black, and almost half are women.

CFA President John Lardner-Burke says "In the past, we catered for people with various qualifications, wanting to belong to a registered body

Important

"Now, we're seen as an important goal for many blacks — and women — who never aspired to the highest qualifications in the profession," he says.

There are 2 500 practising CFA members running their own businesses, and many are providing services in the informal sector, which is gradually moving to close corporation or higher status

"The fact that more students are coming from the black community, indicates a greater awareness of accounting in this community, and the willingness among small black businesses to move towards keeping accounts and formalising their businesses in some way

"These businesses relate to people who speak their own language, so the CFA's black members are playing a critical role in this important sector of the economy," he says

"A problem we hope to address is that very few blacks participate on our committees and councils Considering their important role in a future SA, it's important that this changes.

"Another problem is to obtain work stations for some of our black students, many black businesses aren't prepared to employ female trainees to do their bookkeeping, but also, some white-owned organisations aren't keen to employ young black students.

Institute of

Relaxing rules will help boost CFA's growth

B/Day 8/7/92 (172)

ALREADY the second largest accounting institute in SA after the SA Institute of Chartered Accountants, the CFA could become SA's largest institute in the accounting field

But this could depend on how far the authorities go towards relaxing certain company and accounting requirements, because this will dictate the CFA's future growth rate

Feasible

CFA president John Lardner-Burke says that as government introduced close corporations with their less stringent requirements, so it is feasible to expect more companies to utilise CFA members to assist in-house chartered accountants and other highly qualified financial managers

Also, stokvels may require some legal status in future and CFAs could play a role

"Another area could be in incorporated partnerships, which may be tightened up in the future and require some formal bookkeeping."

Rules which currently relate to estates and their administration, and to trusts, could also be changed to allow CFA members to perform certain functions

"We've already applied for some relaxation in the trust administration area and something could come of this in the future," he says

"We've seen that our qualification levels are higher than we originally anticipated To ensure that we continue to perform our original functions, it's possible that a new tier could be introduced below our current standards for membership," he says

However, Lardner-Burke says it is a good sign that CFA's want higher qualifications "But we must be able to include those with basic skills for the market, membership of the CFA is important for many, as it allows them to sell their skills in the market," he says

He points to the way Namibia has recognised the need for a lower tier of accounting personnel "Now, the CFA member in Namibia is set to become the 'middle' tier," he says

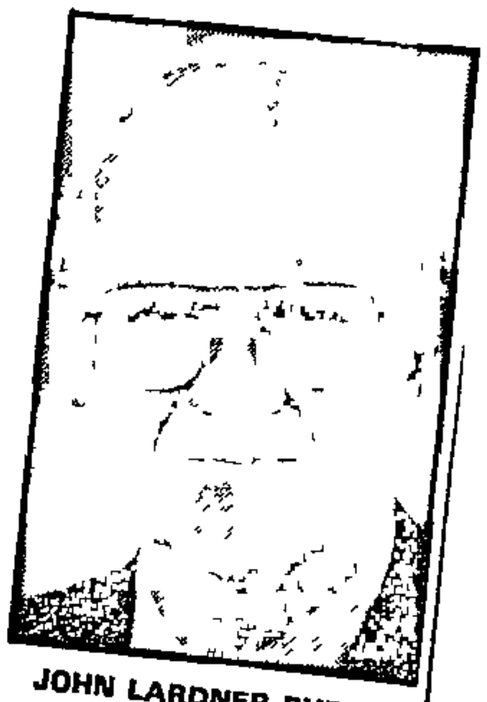
Umbrella

As far as having so many different bodies for the profession is concerned, he points to the possibility of having a single umbrella body, a practice already working in countries like Tanzania

"We believe tiers could well be created under the Public Accountants and Auditors Board

"Specialisation in various fields could also be possible, whether in trusts, tax, or other areas This would require practitioners to register as specialists."

At the end of the day



JOHN LARDNER-BURKE

though, it is important that practitioners — no matter their level of qualification — can belong to an institute and fall under a single code of ethics and other controls

Lardner-Burke says another matter under consideration is wider acceptance of subject credits for the various qualifications, so credits for a certain diploma or degree would be acceptable for others, preventing the current practice where it is necessary to re-do what are basically similar subjects for the different qualifications in the profession

Membersh mirror cha

B/Day 8/7/92

MEMBERSHIP patterns of the CFA mirror the changes taking place in SA

Increasing numbers are black indicating the

Youthful image kept up for past decade

B/Day 8/7/92 (172)

A PROFESSIONAL body with a youthful image is how CFA executive director Bill Shellard describes his institute

And little has changed since the CFA was formed a decade ago

While the accounting profession is often regarded as staid, the CFA has consciously kept its "youthful" image by monitoring its approach to issues and to members

"This has been necessary because we've broken into a number of new fields One of these has been bringing blacks into the accounting profession," says Shellard

The CFA's member profile reflects the "old order of SA", while the student profile shows the new SA, with about 45% being black.

"The niche market our members have chosen is the small to medium-sized business, believing that the future of the SA economy lies in the small business sector

BILL SHELLARD

"But this in itself a challenge because one of the biggest adaptations facing the small black business is to gradually move into the formal sector and to get over the 'bogey' of having to pay taxes

"The education process can't be handled by the CFA alone, but must be done in conjunction with other accounting bodies and organisations such as the SBDC"

For the future, he believes it is important that unification takes place in SA's accounting profession There has been talk of a possible tiered structure like that in Botswana, Lesotho and Swaziland

A continuous drive is to ensure CFA members are permitted to provide services for which they are appropriately qualified, says Shellard

"There is a significant amount of inhibiting legislation in SA and the Law Review Project and the Sunnyside Group (funded by the Urban Foundation) are currently looking at regulation affecting the accounting profession

"We're not looking at lowering standards, but if legislation changes are effected we would regulate our members so that only those who qualified academically and practically would be allowed to offer specific services"

The CFA is also looking at co-operating with bodies in neighbouring countries

Namibia, for instance, sees the need for a large "technician" accountant level with professional backing to cope with the needs of a mixed First and Third World economy

"One of our great concerns is the maintenance of standards and the enforcing of our disciplinary rules, especially in these hard economic times."

Another problem with the wider accounting profession is that anyone can offer accounting services without belonging to any professional body and there is no protection for clients

"To help here, we're looking at launching another grade of membership. This would encompass, for example, those who have satisfied our first level, but while not being fully qualified, will also be subject to our code of conduct"

Looking back, Shellard says that the CFA has several organisations to thank for its successes

"The Transvaal Institute of Chartered Accountants, for example, shared its offices with us for six years, while we had a loan from the Institute of Chartered Accountants and lots of support in our early years from Anglo American's chairman's fund and latterly from SAB"

Funding from corporate members has been used for training

hip trends anging SA

own language, so the CFA's black members are playing a critical role in this important sector of the economy," he says

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Education under the spotlight

B/Day 8/7/92

THE Future of Accounting Education in SA (FAESA) project is sponsored by The Public Accountants and Auditors Board under the chairmanship of recently retired rector of Natal University Prof Piet Booysen

(172)

The project has been commissioned to look at future education for accounting. The CFA has been drawn into interest groups and the consultative council.

CFA executive director Bill Shellard says: "One of the major areas of concern is the lack of cross recognition of qualifications between the technikons and universities and other institutions.

Repeat

"Many people must repeat core material they have already covered for a previous qualification

"Also, there are inconsistencies now because one university may give one credit and another give seven credits for the same course."

The current system means a waste of man-hours on the part of the student, as well as stretching limited lecturing resources because it is necessary to re-lecture to students who are obliged to repeat courses.

Changes are on the cards, with the FAESA project aiming to cut down on overlapping and other problems.

DEBIT CREDIT

Business Day SURVEY

The Institute of Accounting Technicians, the second largest accounting body in SA, is 10 years old and has changed its name to the Institute of Commercial and Financial Accountants of Southern Africa (CFA) It has proved to be a significant force in the small and medium-sized business sectors in which many members practise. ***MELANIE SERGEANT*** *reports.*

Graeme Jay explains management principles to students at Boston City Campus, Orange Grove, Johannesburg.

Ties with other institutions on the cards

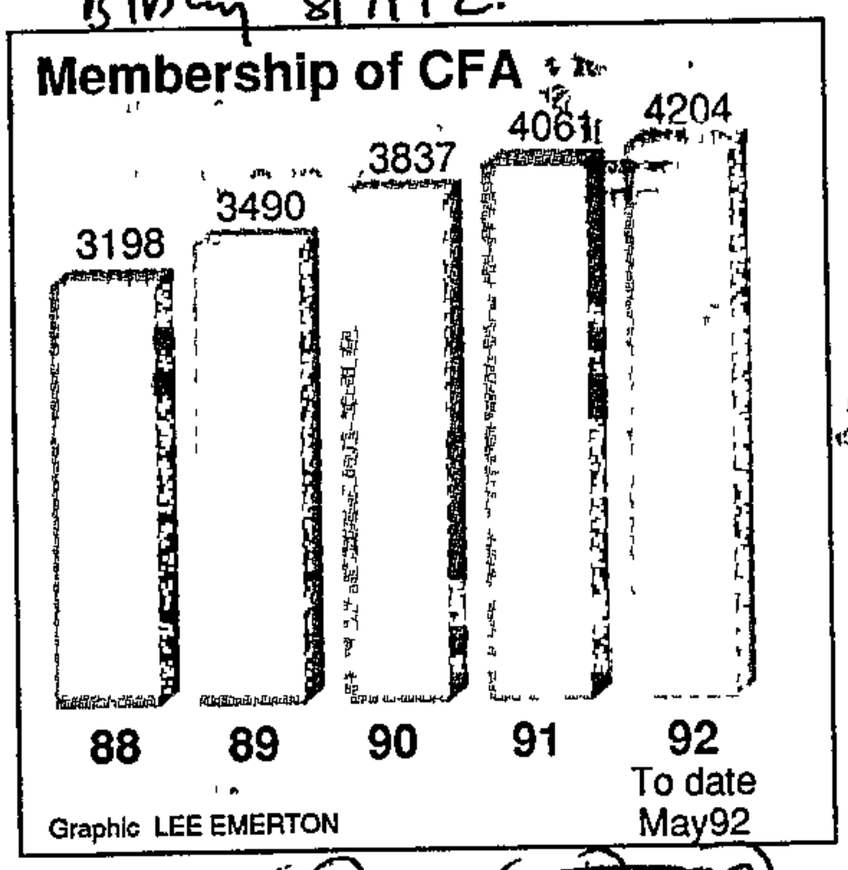
B/Day 8/7/92.

INCREASING involvement with other institutions and related industry bodies is on the cards for the CFA

For example, the association has applied for representation on the Accounting Practices Board (APB)

The outcome should be known in September

There is good reason for seeking representation on bodies such as the APB, because issues which are discussed are as pertinent to CFA members as they are to members of other accounting bodies



Liaise

Already, says technical manager Linda Jarvis, the CFA has several committees which liaise with government and other bodies

"However, there is often duplicated work being done by other bodies, and this is seen as wasted effort," she says

"It would make more sense for us to work together," says Jarvis

"Then the CFA could concentrate on filling in any gaps that may exist and which are pertinent to its own members"

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Since the beginning of this year, the CFA has started five committees

- ☐ Accounting standards and practices,
- ☐ Tax and trusts,
- ☐ Membership services,
- ☐ Continuing education, and
- ☐ Promotion

Jarvis says there was initially one committee for practising members which tried to handle all aspects

But this became difficult because there were no terms of reference, it was difficult to pinpoint the exact cut-off level for its authority and too few CFA members were involved

This committee has now been dissolved and the new ones tailored to deal with and resolve problems

The new committees include both practising and ordinary members so that the needs of all CFA's can be served

"In essence, the committees are mainly advisory

They make recommendations to the council, which then makes final decisions

Proactive

"At the moment, the technical committees are reactive, but in the future they intend to become proactive so that they can give comments, for example, on proposed legislation

"It is hoped that the committees will spearhead the CFA's drive for representation on other bodies in the future"

The institute is also involved in the Sunnyside Group, which is a coalition of interested parties who support appropriate regulation for the accounting profession

This focus team is looking at the informal business sector, which is keen to formalise operations in some ways but does not always see the need for accounting procedures and tax obligations

There is a need for changes in legislation so that the profession can be opened up to others.

Much of the current legislation recognises CAs as the only ones qualified to perform certain functions

This is because they are the only members of the accounting profession who can register with the Public Accountants and Auditors Board

There is also a need for changes within the profession, for example its structuring and the examination of reporting requirements for various entities

If change is brought about, it will be necessary for the professional institutes to decide on what qualifications are needed for people to perform specific jobs

"At the end of the day however, the emphasis is on maintaining standards so the industry can provide clients with services at the necessary levels — and at the right price," she says

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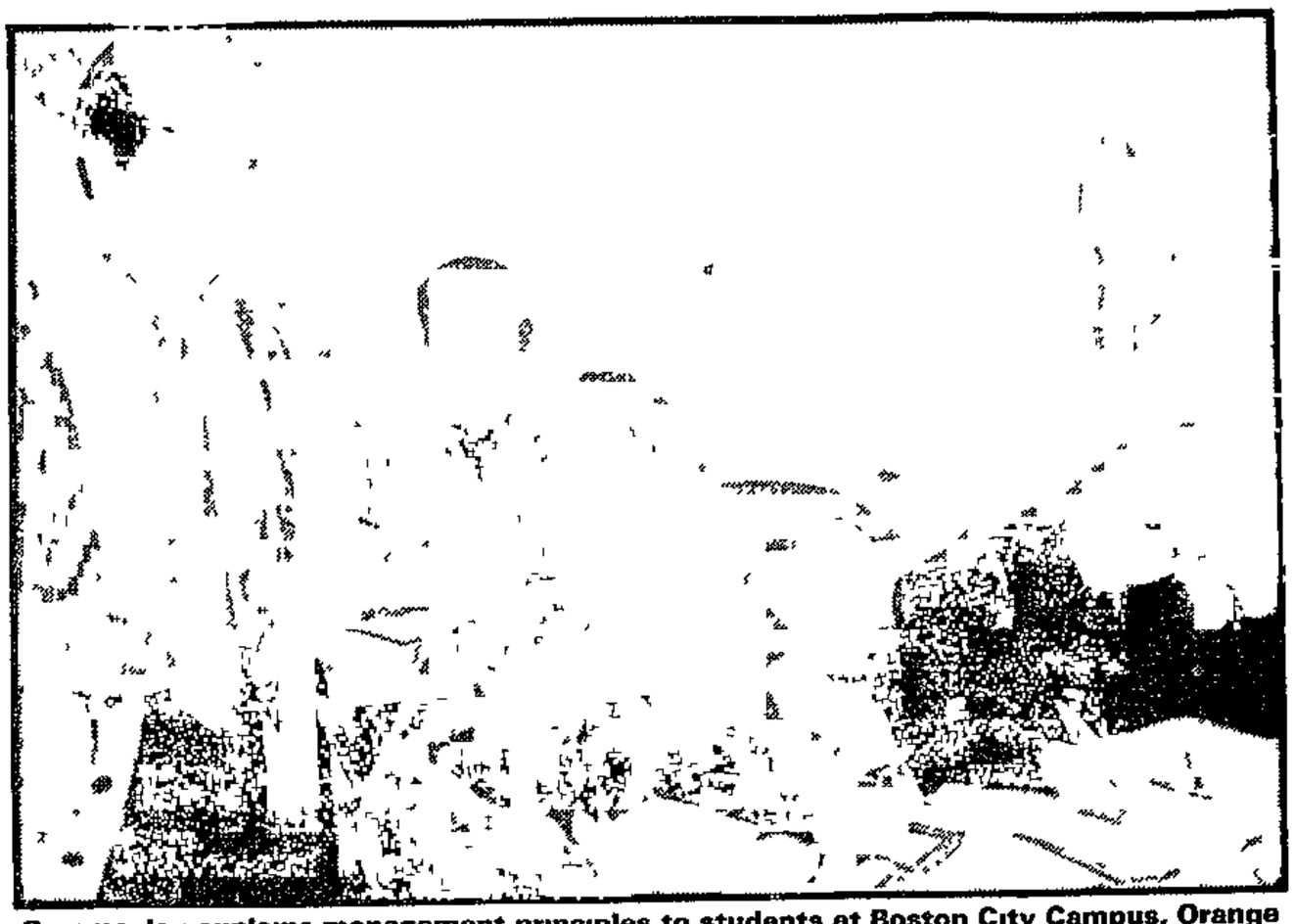

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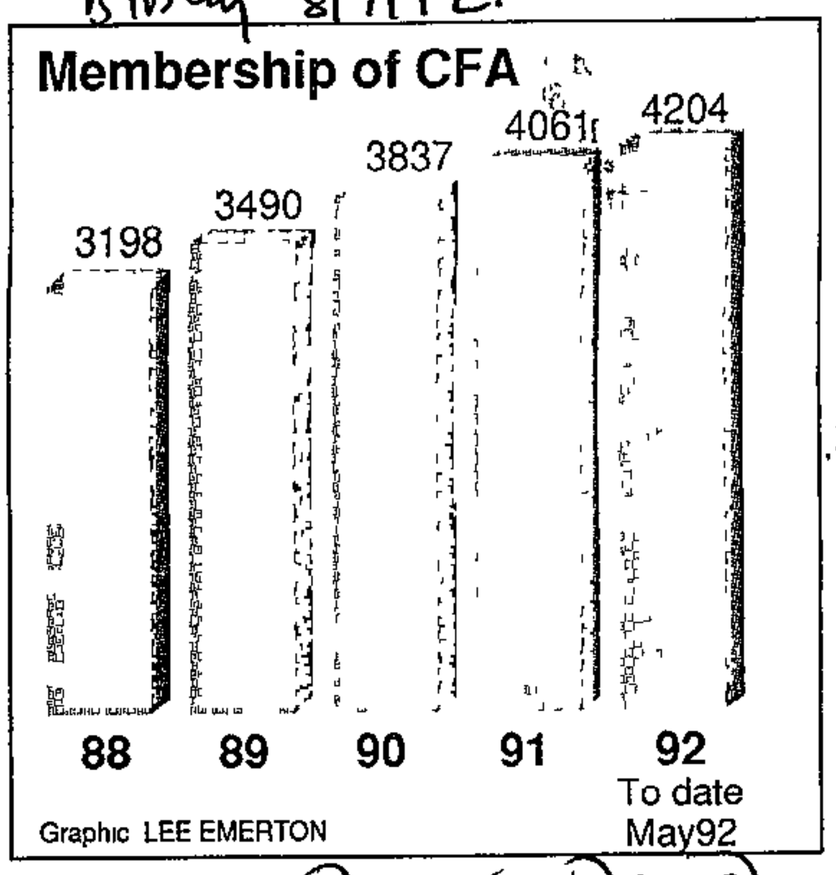

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B/Day 8/7/92

Body that represents the new generation

(172)

THE CFA is seen as the organisation for "a new generation" of accountants

Membership requirements depend on people having satisfied two distinct requirements, both academic and practical, so membership is reserved for the following:

- People aged 23 and older who have a recognised academic qualification in the accounting field whether B Acc, B Com (Accounting), B Compt, or CTA, and have served either three years' Articles of Clerkship or a three-year supervised training period or have six years' practical experience;
- Members in good standing of any of the sponsoring bodies (CA, CIS, or CIMA);
- Trainees who qualify in the National Diploma Accounting;
- People with other recognised diplomas which include the following subjects: Accounting III, Taxation, Corporate Law and Auditing, in addition to experience.

Benefits of membership include:

- In the Close Corporations arena, CFA members enjoy recognition in terms of the Close Corporations Act No 69 of 1984 and are eligible for appointment as accounting officers to CCs,
- Regular journals;
- Medical aid fund and professional indemnity insurance at favourable rates,
- Technical assistance;
- Marketing of services on behalf of practising members;
- Representing members' interests to other organisations, and
- The CFA also serves its members by offering a professional home which sets standards, provides services, protects the status of practitioners and creates public awareness.

The CFA is committed to setting up and maintaining standards for these accountants who serve the needs of the small- and medium-sized business sectors

Technikon diploma combines academic and practical work

B/Day 8/7/92 (172)

TRAINING is central to the CFA, with efforts focused on trying to draw all racial groups into the accounting profession

Training manager Cheryl James says "To speed up the process, we decided against setting up our own training scheme or examination system, but identified existing facilities which could provide the right academic qualifications

"The technikons were ideal, and in 1983 the first pilot programme was launched at Wits Technikon with the support of some commercial, industrial and auditing firms In 1984, the course was converted to national diploma status, with the first students qualifying in 1985

"The National Accounting Diploma is the only technikon diploma in accounting where the student is required to complete both academic and practical components before qualifying

"The academic course includes 14 subjects and the practical consists of three years of prescribed practical training controlled with a log book and monitoring visits Here, we visit each student at their place of work at least once a year to assess the student in the presence of the supervisor

Extensive

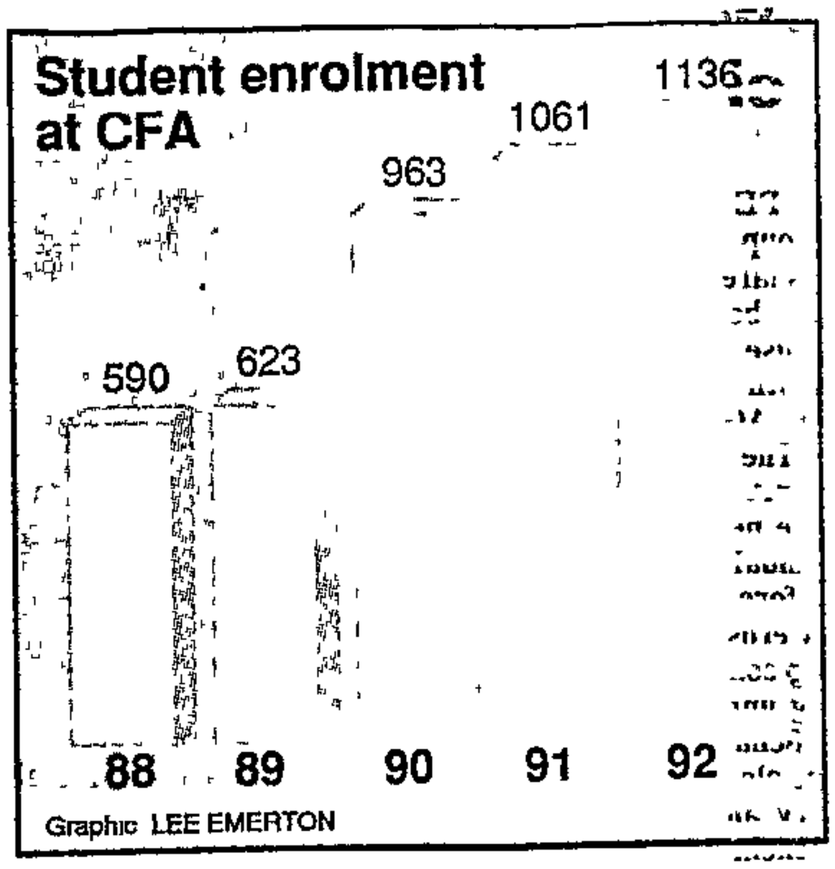
"The students don't only do training in the offices of accountants, but also work in commerce and industry, as well as in the public sector The mining houses make extensive use of the CFA training programme for their financial and administration trainees

Practical training covers all functions from basic accounting to tax

James says the CFA is rightly seen as a first step up the rung of the ladder for students who cannot become CAs, for example, or students who do not have matric exemption

More recently, the CFA has been seen as a viable career alternative in accounting, specialising in the small and medium business sectors Importantly, once they qualify as CFA's, students get some credits and a remission of the training period for the CA qualification For this reason, many see the CFA as the only means of entry into the profession

"Let's face it, there is a massive drop-out rate in the first year B Comm degree, and we provide an alternative for many of these students Indeed, a rapidly growing proportion of our students are B Comm students who sign up to do the practical component of our course"



Graphic LEE EMERTON

Also, she says many students realise they will not manage the full CA and do a general B Comm without accounting as a major, but want to belong to a professional body

"The technikons now have greater autonomy and we currently appoint moderators to assess standards at participating technikons Looking ahead, we are considering the option of setting our own entrance examinations because it is difficult to effectively maintain a standard across all 14 technikons"

Maintenance of standards ensured

B/Day 8/7/92 (172)

THE object of any disciplinary measure is to maintain standards

And because the CFA is not bound by the Public Accountants and Auditors Act, it takes it upon itself to ensure institute standards are maintained.

Technical manager Linda Jarvis says. "We do this through investigations and disciplinary measures

"It is up to members to ensure they abide by standards. However, they occasionally default because of ignorance and in these cases it is important to identify weaknesses and put them right."

She says most complaints arise from problems of a technical nature

But there are also some complaints by members about their colleagues, whether about the way they advertise, or because they are not acquiring or releasing clients in a professional way.

"If a client is dissatisfied with the professional conduct of a member or unhappy with the fees that have been charged, or that he is charged for services which were not provided, we must have the complaint in writing so we have sufficient evidence

"While we encourage our members to sort out their problems with their clients, it's sometimes unavoidable that the institute becomes involved."

If the institute gets involved, the member is given an opportunity to reply and the matter is handed to an investigation committee, which may then be refer it to the disciplinary committee.

Jarvis says the worst scenario is to strike members off the roll. But in most cases the member is warned.

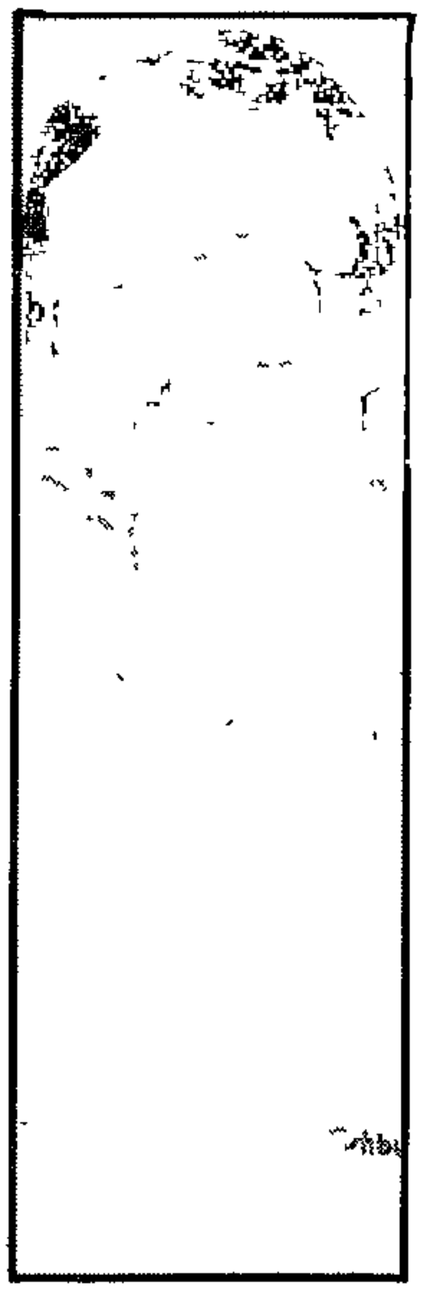
"If we feel the institute could have helped, we may amend the by-laws or publish the case in our bulletin."

A Business Times Feature

Happy wanderer in search of peace

S/Times [BUSS] 12/7/92 (172)

S/Times (BUSS) 12/7/92



GERALD HAUMANT Opportunities for all

ONE of the architects — together with Albert Koopman — of participative management in SA is Cashbuild managing director Gerald Haumant

A veteran of the 1968 student riots in Paris, his socialist idealism was shattered by a paradox — he saw a worker shot outside the Citroen factory

Mr Haumant says "In 1968 I saw the harm that trade unions could do to their cause I am still basically a socialist, but I resent the practical abuse of the system

"Equal opportunities must be given to everyone by establishing an education system independent of government

"If everyone has the opportunity to learn competitively and is employed according to his competence, you remove the need for redistribution

Style

"Redistributing wealth does not redistribute entrepreneurship which is the sustainable advantage which should be spread among all."

He says participative management is the preferred style of management in Africa because it allows group participation in decisions It is a system of empowering workers and promoting worker-management communication

"Everyone must be allowed to flourish One of the most important ways of doing this is through transfer of knowledge, giving more people access to opportunity. About 30% of our store managers are black and we are working to increase the figure to 75% by 1997"

Cashbuild has a virtually blemish-free industrial relations record. Disputes with managers are generally resolved on the shop-floor long before any form of industrial action is contemplated Workers have been known to fire managers in extreme situations

After the 1968 student riots in Paris, Gerald packed his rucksack and started hitch-hiking to Australia

He got as far as Afghanistan, then a kind of psychedelic supermarket for the hippie drug culture

"In the 1970s drifters were divided into two schools — those who rejected their system at home and found liberation or abandon in ther hippie drug culture, and those who wanted to experience their physical and mental limits by adapting to new cultures

"The hippie stereotype dominated the road from Amsterdam to Darwin while the 'experimentalists' moved through Africa I turned around and thumbed my way back to Beirut."

For three years he strayed between Arabia and Africa, drifting down the Nile to Ethiopia, Djibouti, Somalia and Zaire, doing odd jobs along the way

"I lived for short periods in most African countries," says Mr Haumant. "Living on a shoe-string sharpens your senses In one country you get thrown in jail for something which in another country is considered praiseworthy

"You live at close quarters with all kinds of people and this teaches you tolerance and understanding"

These were qualities he later put to use in Cashbuild Soon after arriving in SA in 1973 he took a job with a firm of building merchants He learned the trade which was later to make Cashbuild the largest building materials cash-carry-supplier in Africa

In 1978 Metro launched a building materials cash-and-carry division and Albert Koopman and Gerald Haumant were given the task of putting it on the map

Cashbuild's earnings have grown at an average compound rate of 36% a year since inception, a record that is the envy of many other companies, although profits will be lower this year

Mr Haumant's sense of adventure is still as keen as ever He plans to take Cashbuild into Africa, a task for which he is well qualified His knowledge of Francophone Africa and the cash-and-carry business gives Cashbuild a head start over competitors.

Poor

"Our stores do well in under-developed regions where the distribution network is poor. We are ideally suited to African conditions where transport is generally difficult

"Our strength is in the fact that we offer a geographical convenience to builders and retailers"

Africa's history of corrupt rule and stagnant economic growth is no deterrent "You find people are better than the system that governs them So you must allow the individual to prosper"

Temps they are a-changing in S

STAR 15/7/92

(172)

TIME RIPE FOR TEMPS

The growing belief that professional "temps" can supply high quality, flexible service suggests this will be the chosen path for many of the "best and brightest" employees in the years ahead. ADAM GORDON reports.

THE office "temp" may once have been that person who slunk quietly into the receptionist chair, watered the flowers immaculately, never knew which phone call to put through to where, and generally made "blonde" jokes look like a standing ovation

But temps are changing Ask the draftsmen, engineers, computer programmers, systems analysts, sales and marketing people, accountants, auditors and middle managers who make up a burgeoning yuppie informal sector in South Africa

They sell their skills and services by the hour through personnel agencies, just like "Kelly Girls", but would probably break your kneecaps if you called them that

It is more likely that the skilled, graduated, self-employed agent will enter the corporate door as a "consultant" or "professional assignee"

He or she will increasingly be in a position to strike an attractive employment deal with a large company in need of flexible, cost-effective staffing solutions — particularly during the recession

And the culture of executive temping is entrenching itself so firmly, worldwide, that indications are it will outlast the recession and become an essential pillar of corporate staffing

The Independent of London reports that strategic thinking on the part of managers will result in all major companies using professional temps by the end of the decade.

In the British accountancy job market, economic uncertainty has led many companies to fill permanent positions on a temporary basis

They are anxious not to return to the pain (of retrenchment) experienced over the past two years and are making a conscious decisions to match permanent staffing levels to the troughs rather than the peaks of business, using temps to make up the difference

Syd Catton, chairman of a large South African personnel agency, says local executive temping has "grown and grown" in economically uncertain times

Temporary workers are cheaper because, even though their hourly rate is similar to that of a permanent staffer in a similar position, they cost the employer nothing when they are not needed.

They can be engaged and shed without long-term contractual obligations or compensation.

Executive temps are also indicated for companies who take on large cyclical, seasonal contracts or project-driven employment, where they need different skills in varying amounts at different times

For example, a company contracted to build a chemical refinery will need hundreds of planners and draftsmen at the beginning, but will not have much for them to do by the time they need artisans and engineers

The global trend to technological sophistication and job specialisation also favours the professional assignee

Such is the rate of change of technology that a full-time corporate "generalist" is unlikely to be skilled enough or up-to-date enough in any specific field to provide a cost-effective service

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Says Mr Catton "In corporations specialist professionals often find they spend less than 20 percent of their time doing the work they qualified for and want to do The rest they spend going to meetings and managing other people and sometimes they turn around and find themselves in a different branch of the company.

"This doesn't happen to them if they are in a project-related, time-bound contract

"Inevitably, corporations also treat outside specialists differently Management meets them as equals, and will listen to their specialist advice By contrast, full-time employees are generally identified and treated according to their position on the corporate ladder"

One objection to the professional temp remains the idea that "if they were really any good they would have a proper job" That prejudice will disappear, says The Independent

"The increasing use of temps in project work and the growing belief that they supply high quality and flexible service adds credence to the view that this will be the chosen path for many of the 'best and brightest' in the years ahead"

The fast track to 'empowerment'

B/DAY 15/7/92 · (172)

LONDON — If there is a single "human resources" issue which helps chief executives sleep soundly at night, it is the existence of a proven "fast-track" process for developing their high potential young people into the leaders of the future.

Leadership development and succession is at the very heart of future corporation prosperity, hence the installation of fast-tracks by more and more companies All now feel they must take young managers in their mid-20s and transform them, over the next 10 to 15 years of dizzy "fast-tracking", into a high-powered elite

Cloning

Yet the way that these processes operate, and the values and behaviour patterns which they promote among today's star middle-managers and tomorrow's top dogs, are in direct conflict with the popular and potentially powerful concept of "empowerment". Company bosses on both sides of the Atlantic are now rushing to install it (or at least espouse it), in spite of centralising pressures created by the recession.

But very few of them are biting the bullet by changing their fast-track processes to encourage the development of "empowering" behaviour in the company's central nervous system its star managers Instead, today's leaders are still cloning themselves

This is the stark conclusion of unpublished reseach done over the past couple of years by the London Business School's Lynda Gratton. Much of her hardest data is drawn from a study in 1991 of more than 10 high-fliers at a large European multinational Gratton's results are impressive, because she gathered observations not just from high-fliers themselves, but from more than 1 000 subordinates, peers and bosses. The prime questions she sought to answer were whether the high-fliers were much good at the various behaviours that can be considered "empowering", and especially whether they gave much priority to many (or any) of them

The answer in the majority of cases was a resounding "no"

For anyone who still needs a plain person's definition of empowerment, here goes

As organisations flatten their pyramids to cut costs, accelerate decision-making and become altogether more flexible and competitive, they can no longer operate in time-honoured, hierarchical fashion

Instead of a series of levels which "command and control" the one immediately beneath them, power (and information) on many issues must be delegated, decentralised and diffused Trust must be established between bosses, peers and subordinates (to use conventional language — or "colleagues", in the new). Individual effort within narrow departmental boundaries must be replaced by cross-functional teams. Instead of information being withheld at each successive level in the hierarchy, it must become shared — or, at least, accessible — through informal "networking" All this implies fundamental changes in the way that leaders behave

In assessing the "empowering characteristics" (or otherwise) of the managers in her study, Gratton asked participants to write down what they saw as the person's strengths and weaknesses (these were described politely by Gratton as their "development needs"). The resulting descriptions were rich and varied.

The top four strengths to emerge were all individual, rather than team, ones: "energetic and hardworking" (for 72% of the high-fliers); "analytically able" (63%), "action-oriented" (51%), and "intelligent" (46%). Most other empowering behaviours, such as ability to engage in joint problem-solving, were cited as strengths for less than 30% of the high-fliers

Abrasive

As for people's "development needs", the 100 individuals as a group were seen by two or more of the respondents — often including themselves — to be weak on half of the full 20 categories of empowerment, and not very strong on any. In particular, 42% were described as expecting too much of, and being impatient with, people with different abilities and needs, a recurrent phrase was "does not suffer fools gladly"

Depending upon the category, between 20% and 30% were described as abrasive; failing to share information and to keep communication open, unable to build teams, and failing to take others' views into account. Many were poor listeners

The goodish news, apart from most people's perceptions of their own weaknesses, was that the group was not homogenous. A significant minority did behave in an empowering manner, and possessed strong individual skills. — Financial Times.

Subcontracting staff becoming name of the game

STAR 18/7/92. (172)

STEPHEN CRANSTON

AS COMPANIES cut back on staff, they rely more and more on professional assignees, says Professional Assignment Group chairman Syd Catton

Catton says companies are increasingly identifying their core businesses and subcontracting other services "The cost of skilled personnel is frightening and it's not so easy retrenching staff during a downturn"

The advent of industrial tribunals and labour legislation has not only made it more difficult to retrench blue-collar workers, it is equally hard to dismiss managers.

"Bosses are now asking 'Do we need a person in the job permanently, or do we just need him for six months of the year?'," he says

There has been an explosion of computer bureaux overseas as businesses have decided to concentrate on their own businesses — whether it is selling cars or financial services — and leave information technology to the computer specialists

"Information technology changes so fast that computer programmers have found that if they have stuck to the same programs for just a couple of years in-house, they are unemployable outside"

By subcontracting information technology, companies can also manage with fewer bookkeepers and accountants, Catton says.

PEOPLE'S LIVES *'Appointing women to top positions says enough about the company'*

Purging sexism from boardroom

Sowetan 20/7/92.

By Sizakele Kooma

COLOUR AND GENDER *Success has nothing to do with colour. Does it have anything to do with gender?:*

THE sunrays spill through the blinds, lighting up the spacious north-facing office In the centre of the room Wanita Kawa sits upright on a cushy executive chair, dressed in an expensive black and white Chanel-style suit and looking every part the boss that she is

Kawa is project manager of Co-ordinated Marketing, a black-owned business consultancy which she joined a year ago

Some friends, she said, had warned her upon joining the company that she could be letting herself into a very chauvinistic environment

Looking at this confident diminutive woman and listening to the articulate and sharp way she answers questions there is no doubt as to her intelligence She could not be any boss's pushover or any man's sex object.

But there is no course for her to fight at Co-ordinated Marketing Sexism does not exist in managing director Mr Rueul Khoza's company and professional standards are very high, according to Kawa.

"There is mutual respect between men and women I have never had a pass made at me I'm always introduced as a colleague, never as a woman, " Kawa said.

"Women are not expected to fetch and carry and benefits are attributed to a person's job and professional status, not his or her gender "

Kawa said she had grown by five years in the space of one year in terms of the responsibilities, experience and exposure she had been given at Co-ordinated Marketing

Like Kawa, Louisa Matthews is content with HerdBuoys, an advertising company she joined in February as media manager

"The fact that they hired a woman for the position says something about them," Matthews said

She is almost certain, she said, that there would not be anything or anyone to stand in her way to more success

"It is up to me what my ambitions are The only thing that would stop me is my performance."

These two women would be thought as unique by Thenji Dlephu, Fabcos promotions manager, and most others who have a host of complaints about their masters

"I do not know of any woman who has grown in a black concern," Dlephu said

"Our men still have doubts about our capabilities, even though we have proved that we are worth the job I have never worked on a project, from start to finish, without a man's interference They have either had to make the proposal or approve it before I could go ahead "

Dlephu said she always has to fight to be heard but she was not prepared to give in to male pressure

Her claims seem light against what her colleague, who refused to be identified, said

She alleged that

- One woman was replaced, without her knowledge, from her position by a man who would have otherwise been made redundant.
- Some less qualified men earn more than their better qualified female colleagues
- Meetings are treated like men's clubs
- There are 14 men and only two women in executive positions and both women do not have decision-making powers

"I doubt if I will work in a black-owned company after my experience," said Lerato Leeuw, not her real name, who recently left her job in a black concern

"I suffered a lot of victimisation My boss never cared to consult with me when making decisions on issues that would eventually affect me. The whole company had no professionalism "

A close look into some of the companies showed that very few women had gone up higher than the level of secretary while in others like maternity benefits were not part of policy but just arrangements

The African Bank which has been around for more than 10 years employs 204 men and 123 women Of these there is only one woman manager, three accountants and 12 women supervisors. The rest are in clerical positions

Box of Quotes

'Women's success in both black and white concerns are dependent on how well they collectively lobby for themselves.'

Louisa Matthews, media manager of Herdbouys

'We are the only financial institution which has appointed a (black) woman as a manager of one of our branches, Bisho.'

African Bank's chief executive

'We could make an 'arrangement' if a female employee had to go on maternity leave.'

Kehla Mthembu, managing director, Afsure

I may fight a course or fight an issue, but I never fight being black or being a woman'

Wanita Kawa, project manager, Coordinated Marketing

Keeping up corporate image

B/DAY 24/7/92.

MARCIA KLEIN

COMPANIES were finding it increasingly difficult to keep a positive corporate image, said McCann-Erickson chairman Tim Bester

He said this was due to a growing awareness of the role of business in a range of emerging issues, including the environment, ethics, human and animal rights and work safety

Companies operating in the fur, cosmetics, motor oil, cigarettes, drugs, mining industries and private nursing homes could easily find something happening which could affect their corporate image and lead to a reduction in sales.

But many of these companies, which sold consumer products or services, could not afford to keep a low profile.

This meant that they had to develop a positive image and build public awareness and trust.

Bester said that in the past, corporate image management had been concerned largely with informing and influencing the financial community and investors But today consumers were becoming more and more important.

Research undertaken by McCann's parent company Interpublic Group in the US showed that consumers saw corporations as the cause of major problems faced by society

These included environmental and animal abuse, inequality, and promotion of products harmful to health.

"Consumers now penalise or reward corporate behaviour through everyday shopping decisions," said Bester

Interpublic chairman Philip Geier said this was not the response of the lunatic fringe, but a trend which would grow

Bester said companies should be aware of the key issues by which they were being measured, and should act on their areas of vulnerability

They should manage crisis situations and use advertising to promote their corporate image.

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Dale Carnegie helps people grow

STAR 23/7/92 (172)

Dale Carnegie's Johannesburg franchise has increased its business over 400 percent in the past four years and it is expected to increase business further in 1992.

Franchise holder Kat de Beer started out by attending the Dale Carnegie course in 1961.

"After the course I wanted more and I was invited to assist the instructor Later I became an instructor myself," he says

At the time he was a marketing general manager for a major life assurance company Instructing was a hobby which he did in his spare time.

"It is very satisfying knowing that you have made a difference in people's lives," he says

Later, the owner of the franchise decided to leave the country and Mr de Beer was offered the opportunity of taking over

"I had the money, but it was a painful decision I had to give up a very senior position in commerce to take on the franchise," says Mr de Beer.

However, he did take the leap and has turned the business into an even more successful venture

When he took over at the end of 1986 the franchise had 600 people attending courses each year Last year 2007 people attended Mr de Beer expects 2 500 for 1992

He says his wide network of contacts, developed during his years in the life assurance business, helped. But the main factor in the success of the enterprise was putting into practice the lessons he learned on the Dale Carnegie courses

"I put into practice the principles I was teaching and it worked," says Mr de Beer

The course was developed by Dale Carnegie in 1912 and it has been continually updated to meet its clients' changing needs

"It grows with the need Our flagship in Johannesburg is the Executive Image Programme which grew out of just such a need. No-one willingly projects a poor image, it happens accidently, but good images are the result of specific, determined and continued application

"The most common fact of which executives are unaware is that the image others have of them is very often a result of the image they hold of themselves

Kat de Beer . . . from instructor to franchise holder.

"The course shows people how to improve their self-image and, as a result, the view others have of them This is done by constantly reinforcing and acknowledging the person's positive points

"More than 60 percent of the executives who attend this programme have been married more than once.

"It is not that they have problem with interpersonal relationships. They are too hard-pressed in the workplace, where there is one manager for every 47 workers, compared to Japan where there is one manager for every seven workers.

"Executives have a tremendous feeling of guilt because they are not spending more time with their families and the situation can only get worse

"We teach the importance of making time," says Mr de Beer

Delegates are encouraged to look at the attributes which have made them successful In addition, they look at areas of weakness and develop a programme for addressing those flaws

This blueprint is used to continue the development begun during the course.

He says companies are identifying the need for the course. Often executives are promoted up through the corporate ranks, but many lack the necessary management skills.

"The course has a number of different modules from image to team building," says Mr de Beer

His franchise leads every other in the world in sales of the Executive Image Programme He believes this is due to a greater awareness in South Africa of being over-managed and underled.

"We need leaders now, and those leaders need to project an image that will cause people to believe in them They need to believe in themselves," he says Another popular and particularly useful course for South Africans is the Youth Programme

"Caterpillar Africa and Total South Africa sponsor children to go on the course

"This is part of their programme of putting back into the community what they have taken out of it

"There are also large numbers of parents who realise the necessity of equipping their children with the basic tools to make a success of their lives

"Children from all walks of life and of every colour and creed attend the course which is run over five Saturdays

"On the first day they all form groups based on their language or colour By the end of the course they have become unaware of colour. They walk away from here a united group of young people.

"The course concentrates on basic principles, confidence, self-image, the ability to communicate more effectively and to live with people with less worry and stress," says Mr de Beer

He says companies should not send hopeless cases on the course. If they are that bad they should not be in sales

"Send us the top sales people and we will make them better The course is run over 12 weeks as there are no quick fix sales courses that actually work We expect visible progress from delegates by about the fifth or sixth week. Each week delegates practice the various techniques during the session and are expected to put the methods into practice, and their results are analysed during the following session"

The general Dale Carnegie course is aimed at all who wants to develop Mr de Beer says the only ones who won't benefit are those who think they know it all, and those who have no desire to move forward For more details, phone (011) 331-8311

Course for unionists

(172)

A UNIQUE management course for shop stewards has been launched by Rhodes University's business administration department and Nampak (132)

According to Mr Phillip Court, course coordinator and senior lecturer in the business administration department, the success of this venture illustrated the need for education at lower levels of management - Sowetan Correspondent, Sapa and Elnews.

23/7/92

Sowetan

Science policy indaba at Wits

STAR 24/7/92

By Anita Allen
Science Writer

(179A)

Science and technology policies of the Government and the ANC will be analysed during an intensive week-long indaba held at the University of the Witwatersrand from July 27 - 31

The course will highlight the important role that science and technology (S&T) can play in development by providing a critical comparative assessment of policies around the world.

In particular, visiting guest speaker Roy MacLeod, professor of history at the University of Sydney and a specialist in science policy research, will be presenting an appraisal of S&T policies in Australia — a country which, like South Africa, has large agricultural and mining sectors and a legacy of colonial-type policy structures and education

Workshops

Other guest speakers will present seminar papers and take part in workshops aimed at formulating conceptual frameworks of development needs for southern Africa and the scope of S&T, and will examine policy options in a number of sectors which impact directly on development.

The indaba is the initiative of the departments of chemical and civil engineering at Wits, and it will be the first time that an educational workshop for S&T policymakers is held in South Africa, according to Dr Ania Grobicki, a senior Wits chemical engineering lecturer.

"Economists do not understand the importance of science and technology in development," says Dr Grobicki, who specialises in S&T policy formulation at a national level and is editor of "Towards a Technology Policy for SA".

She is also co-convener of the course with Rob McCutcheon, professor of civil engineering and head of project and construction management at Wits Professor McCutcheon has extensive experience in labour-intensive projects throughout southern Africa.

Speakers

The impressive list of speakers includes Dr Anton Eberhard, director of energy for development research at the University of Cape Town and leader of a major project on energy policy for the new South Africa, Dr Lynn Jackson, principal oceanographer in the pollution division at the Sea Fisheries Research Institute and coordinator of the Environment Monitoring Group; Dr Nick Segal, group consultant, strategy and public affairs, at JCI and former senior economist with the World Bank, and John Abbott, a consultant specialising in community participation programmes and development projects in urban and rural areas

The course costs R2 000 for the week or R400 a day Registration inquiries can be directed to Lesley Stephenson at (011) 716-5091

affirmative action

In black and white: Zimbabwe's case

SOUTH 25/7 - 29/7/92

WHEN Zimbabwe gained independence in 1980, a presidential directive was issued to speed up the employment of blacks in responsible positions in the civil service.

No such directive was issued for the private sector, which was expected to take its cue from government in the atmosphere of reconciliation then prevailing.

By the mid-eighties, however, allegations were increasing from ambitious young black professionals, who had the ear of government ministers and civil servants, that the private sector had not taken up black advancement in a meaningful way

They said that where black advancement had taken place, it was usually in a limited number of areas such as personnel management and public relations, which effectively kept blacks out of any real decision-making positions

In addition, the rash of appointments of black directors and top managers immediately after independence had slowed down to a trickle

It was also alleged that where blacks were appointed to management positions, some of their responsibilities were transferred to white managers, which kept blacks out of critical areas of decision-making

The private sector body for industry, the Confederation of Zimbabwe Industries (CZI), agreed to look into these allegations and find out why their members — the largest employers in the country — were so slow to implement change

CZI found that black and white managers had completely different views on the issue, with black managers saying the allegations were all too true and the white managers saying they were not

Black managers said black advancement usually took place at middle-management level, but no managerial training was provided for advanced managerial skills They said this was because employers were afraid to upset outspoken white managers with deep-rooted prejudices.

They also suspected that black managers were paid less than white managers at the same level. This was because company policy on the recruitment and pay scales of managers was never spelt out in full.

Some also claimed that racial prejudice had become more subtle since independence While some blacks might be promoted, their appointments were "window dressing" and they became very frustrated because they did not have the power to actually do anything in the company.

It was particularly tough in the companies owned by white family groups These companies said they did not want to admit strangers to top management, but this often only meant blacks, as they had been known to appoint whites from outside their families or even expatriates

The white managers tended to have two different ways of responding to this issue.

One was that it took years of practical experience before anyone could become a manager — and blacks had generally been denied this and now had to "catch up".

The other was that "of course" black advancement was taking place, and the complaints were coming from blacks who were prejudiced against all white managers and wanted their jobs even if they were not qualified to take them

They claimed the civil service had been able to show rapid progress in black advancement because of the early retirement packages for white civil servants, something the private sector could not afford to do.

As to what could be done to promote black advancement, all the managers agreed that greater sensitisation of top brass in the private sector was needed.

They did not think a presidential directive was needed for the private sector as this could be counter-productive when the country was trying to attract investment

By the early nineties, the government was again making noises about what could be done to make white companies more sensitive to this issue — and the CZI commissioned another study.

This was conducted by a South African exile, Dr Bridget Strachan She found dramatic changes at middle and junior management, but found that black advancement had been slower at senior management and "very slow" at top management

Where black advancement had taken place, it had been because of a positive attitude by top management and good human resource development and training programmes Where it had been slow, it had been due to the negative attitudes of top management in general and the management structure in particular

"There is no doubt that the recession of the late eighties had meant that there was little economic growth and that little advancement of blacks could meaningfully take place

"This had once been seen by blacks as an excuse for their lack of advancement, but those who were in top positions soon came to realise that this was indeed an important factor," said Strachan.

This is an important lesson for South Africa, where economic growth has been poor in recent years — and might not improve immediately under a new government, no matter what policies are adopted.

This time, the study was not kept under wraps "for members' eyes only" and widespread publicity on its findings, which were more detailed than the previous one, started a major public debate

But the government still held back from legislating against discrimination or making affirmative action mandatory

This was largely due to the constitutional constraints imposed by the Lancaster House settlement, but also due to the lack of vision in labour legislation about manpower and human resource development

Trade unions, in particular, were not encouraged to negotiate with employers on this issue, mainly because what was initially a self-styled "socialist" government did not want the unions to be corrupted by capitalism — the state would lay down wage levels and working conditions

This socialism had another effect — the state neglected to promote the small business sector and the development of entrepreneurial skills among blacks because it was more interested in co-operatives (which didn't work)

As a result, blacks had little chance either in the formal or informal sectors to learn business skills and position themselves to move up the entrepreneurial ladder

Boardroom battles: Call for a joint code

SOUTH 3.5.17 - 29/7/92

In the run-up to a Cape Town Chamber of Commerce symposium on affirmative action next month, SOUTH financial journalist **Lynda Loxton** starts a three-part series on the great debate

(172)

RACE and gender discrimination in the workplace has become so deeply ingrained that it is widely recognised that some form of affirmative action will be needed in a new South Africa.

But should affirmative action be legislated or should racial and gender equality be enshrined in a Bill of Rights and left up to individuals, companies and trade unions to ensure that these rights are upheld?

The director of the University of Cape Town's Labour Law Unit, Professor Clive Thompson, who will be one of the speakers at the Cape Town Chamber of Commerce symposium on affirmative action, believes action is needed sooner rather than later

Even if Codesa is resuscitated soon, it is unlikely to lead to the drafting or finalisation of a new constitution, including a Bill of Rights, until at least the mid-nineties, Thompson says

Until then racial and gender discrimination will continue and there will be major shocks awaiting employers when they suddenly have to adapt to new legislation outlawing discrimination.

According to Thompson, the major players — the employers and trade unions — need to come together in a consultative process to thrash out a common approach that is acceptable to both parties

This could be put forward as a model to guide the new constitution's provisions on workplace discrimination

It would ensure direct input by those most closely involved — and their practical, hands-on experience could be an invaluable guide to the law-makers who are often out of touch with realities at the workplace.

The consultations should aim to develop a non-statutory "employment equity code" which could possibly be backed up by an Employment Equity Commission

Thompson prefers the phrase "employment equity" to "affirmative action" and "black advancement", which have become loaded terms that in some circles arouse negative reactions

He suggests that the code could be binding as a common law contract. In the case of parties covered by the Labour Relations Act, t unfair labour practice clause cou be used against any party th breaches the terms of the agre ment

It could also be possible for pa ties to industrial councils or conc ation boards to have the terms the code incorporated into statuto industry agreements, which ma then be extended to non-parties in particular industry

A supporting agency would b required to help implement th code It would gather data of th racial and gender composition c the workforce, study the experience of other countries, educate an inform employers and worker about the need for employmen equity and monitor the implementa tion of the code

This approach would help to sen sitise employers and the governmen to the need for affirmative actior before any legislation is introduce through the constitution or labou laws

Whether the private sector and unions will take up the suggestion remains to be seen, but Thompson believes a vast learning curve l s ahead for all South Africans abcu their rights as individuals

The authoritarian nature of society under apartheid has meant th South Africans are not attuned to fighting for their legal rights — it was not something many people had in any case

This is borne out by the fact that although current unfair labour practice legislation does allow workers to take legal action against their employers if they are discriminated against, very few have done so

And once South Africa has a Bill of Rights enshrined in the constitution, lawyers will have to re-educate themselves in constitutional law as a new class of litigation will become possible

MANAGEMENT FOCUS: Blacks and women are demanding greater representation in decision-making positions in industry and commerce

Photo Yunus Mohamed

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affirmative action

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(172)

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uss] 26/7/92

Tax rates applicable for investors in shares quoted by the NSE

	Interest	Dividends	Capital gains	Company tax
Namibia ..	0	10	0	40
S Africa .	0	15	0	48
Botswana*	15	15	0	35
Zimbabwe	10	20	30	—
Kenya	12,5	15	0	—
Mauritius*	0	0	0	25

*Company tax rate applies only to listed companies

Mauritius has a training lesson for SA

S/Times (Bus.) 26/7/92

THE Mauritian Government takes a percentage of every company's salary and wage bill. But companies can reclaim most of the levy if they spend money on training employees through approved courses.

The levy fund is administered by professionals sitting on the Industrial and Vocational Training Board

Stephen Dallamore of Mast (Management & Skills Training) expects a similar move in SA when an interim government takes charge.

Mast has opened an office on Mauritius to win a slice of the action.

Mr Dallamore says that even in developed countries there is a growing need for vocational training In SA, a third of the 11-million-strong workforce has had no education and 45% is functionally illiterate.

Among whites, 10% have had some vocational training, compared with less than 1% of blacks Arts graduates make up 70% of the total and 90% of graduates are whites. Yet by the year 2000, half of SA's middle management will be black. By that time, unless training takes off, the manager to worker ratio will be one to 80.

SA spent R3-billion in 1990 on training Only a lack of funds prevents the figure from rising. The education curriculum does not provide the skills business needs.

Mr Dallamore makes a strong case for the necessity to train people.

Mast has four divisions of about equal size in terms of profit contribution. The divisions are Mast Training Consultants, Mast Video Training, Mast Publications and Lexpress Data.

There has been a marked change in the make-up of group profit. At listing, training chipped in two-thirds and product a third. But even Mast suffers from a skills shortage in that good people are hard to find and there are limits to chargeable hours and rates.

"Training did not let us down in 1992 — it was the best year ever and we have more than 200 corporate clients nationwide with 30 consultants. We train from the primary pupil to the chief executive," says Mr Dallamore

Mast focuses on products because they are more manageable and give access to the mass market. Technology allows the broadcast of educational material — an important factor in a nation short of teachers

Mast both sells and rents products. Products offer a much more stable and risk-free return and now earn 70% of Mast's money.

Mast has the lion's share of all the good educational videos and is making some of its own. It hopes to market them abroad.

More than 10 000 customers use the videos

"SA is considered one of the world's top six markets for the promotion of videos," says Mr Dallamore

A major target market for Mast Training Consultants is the teaching of black children at Standard III when the medium changes from mother tongue to English and which results in a large drop-out rate.

Educational sponsorship has been politicised, but there is hope that the troubles can be overcome.

Mast received a shot in the arm when CNA bought a large stake in it from Datakor. At the same time, Mast bought Mast Video Training, formerly Gallo Vision, from CNA

Universitas was later sold by CNA, becoming Mast Publications It has 15 000 private and corporate subscribers and access to 70 000 publications

The other part of Mast Publications is Time Systems, with 16 000 users of the management planning and calendar system in spite of competition from electronic gadgets.

Lexpress Data specialises in interactive video and communication techniques on a computer — the computer gives an instruction and the trainee learns through responses

Mr Dallamore says: "We foresee big opportunities for literacy where the computer can assess the level of education of employees and their ability to learn. This training can be aimed at the correct level of individual understanding."

Group turnover is expected to top R28-million in the current year and the profit to exceed R4-million.

This will result in earnings of 10c a share. Mast's share price is 60c, six times forward earnings

The dividend cover can be low because of relatively low asset and stock requirements. Mast forecasts 5,6c for the year to February 1993.

Cash-flush Mast is also undergeared and is ready for acquisitions. Downside looks limited at the current price

DIAGONAL STREET
by Julie Walker

STEPHEN DALLAMORE: SA in video top six Picture: ANDY KATZ

FRANCHIS
A PRIME
JO
PLEASE APPL
MANUFACTURER

PEOPLE'S LIVES *They are a new breed of South African entrepreneurs who have shown they can*

She no longer heeds her

Sowetan 28/7/92 172

Vionni Tshibase

runs Insearch Personnel with a staff of three people. The three-year-old company recruits jobseekers across the racial and professional spectrum. It also offers training. Chibase's company boasts clients like Spoornet, BMW, Coca Cola, NSB, SAB, Nestle and Elida Ponds, among others.

They left the kitchen and invaded the job market. Today some have infiltrated the boardrooms while others have used their masters' wise teachings to their own benefit.

They have set up exact replicas of companies that employed them or used their experience to counsel others.

These are women who have not only made it in previously male-dominated jobs but also in white-controlled businesses like marketing, public relations and personnel recruitment, among others.

They partner each other or their spouses, or go it alone. They set up offices in the central business district, prestigious northern suburbs or the

make it on their own despite the difficult economic times

master's voice

Sowetan 28/7/92 (172)

backyard of their homes They contribute to the upgrading of the economy by creating employment for the jobless These women have also proved that black economic empowerment is not only about black people participating in so-called small businesses but in macro-economic ventures

Sizakele Kooma looks at some of the success stories

Hope Otto and Associates is a market research company solely owned by Hope Otto, a former teacher and journalist. She launched the company in 1989 after 15 years of working in the marketing field. Otto employs a part-time staff of 12 people and has handled assignments for companies like Houghton Products and Douglas Parker

Ursula Johnson founded her company, Network International, in 1987 The public relations and promotions company employs nine fulltime staff Kellog's SA, Cadac, Fabcos and Fuba are some of the people she has worked with

Miriam Patsanza, former senior producer on Zimbabwe Broadcast Corporation, is a co-partner in a TV production company called Talent Consortium. Patsanza and partner, Mr Themba Hobe, started the business in Harare, Zimbabwe, in 1984 They branched to South Africa eight months ago Their varied clients include women's organisations and non government institutions from as far as Mauritius and Ethiopia Preferential Trade Area (PTA), an alliance of 20 African member states, has been their client for four years.

Patsanza's dream is to be able to be part of the players that will create a meaningful media space for those who have not had it.

"I also want to be able to tell the story of my people in the way that I see it," she said.

Angie Makwetla started AM Ultimate, a computer and secreterial training school in 1989

Today the service employs two full-time and two part time staff and has grown to include a placement and public relations section.

Her clients include *Sowetan* and the South African Fashion Designers Association

Makwetla, who holds a BA social work degree, had previously worked for IBM as personnel officer for 10 years and later as market support representative

Makwetla's dream is to have one per cent of training contracts from big conglomerates

Stunkie Vundla worked in the hair business as a hairstylist, marketing and sales representative and later in the public relations department at Radio Metro, then she decided to set up her own promotions business FMV Communications is a one-man show

Rose Francis is an internationally renowned former model and runs a close corporation company called Rose Francis Communications Her promotional history dates back to 1981 and her clientele list includes Unilever Panache, the SABC and the BLA, among others

Bridgette Motsepe is managing director of Projects International, a business development and public relations consultancy Motsepe started the company four years ago after previously working at BP, Revlon and the NSL where she acquired experience in marketing and public relations

Projects International employs 80 people in the promotions department and eight in business development and has associate offices in the United States of America and Britain The company's clients include Mbongeni Ngema s Committed Artists Springlake Colliery, Bata Shoes and Mastermind Tobaccos, a multinational company with offices in Burundi, Kenya and Zaire, among others

Suzzette Mafuna, probably among the first black women to set up a consultancy business, has been her own boss since 1985 when she and Jenny Shepherd started a public relations consultancy called Shepherd Mafuna and Associates They parted in 1989 Mafuna, a former credit controller and writer, went on to set up another public relations business and called it The Associates

The company has had dealings with clients that include the Black Management Forum the Black Editors Forum, South African Commuter Rail Corporation and Old Mutual Properties

the transition in SA will take place What is necessary is the establishment

Affirmative action alternative proposed

B/DAY 29/7/92

(172) WILSON ZWANE

THE number of blacks and women in supervisory and management positions ought to be increased by 30% within the next 10 years, says a manpower planning and development consultant

In an article to be published in next month's Institute of Personnel Management's People Dynamics, Andrew Olivier offers an alternative to affirmative action, which he describes as "racist, elitist and an excuse used by companies for poor manpower planning"

Olivier says in place of affirmative action broad-based succession planning, with limited but directed company intervention, should be designed

Through interaction with mentors and managers, underutilised employees can be developed without preferential treatment

"Each employee in the advancement programme will have customised development plans of his present and future positions These will have been democratically agreed upon and worked into the forecasted strengths," says Olivier

He adds that the eventual objective of such manpower planning development is a 30% increase of blacks and women in supervisory and management position within the next 10 years

Returned exiles offer hope to black youth

B/DAY 29/7/92

THEO RAWANA

THREE returned exiles who fled SA in the wake of the 1976 Soweto riots, have launched a programme aimed at motivating township youths to improve themselves through education

David Molapo, Abner Moriri, and Mamikie Molapo are using the programme to advise on the importance of individual responsibility and the limitations of the mob spirit

The three, who are based at KwaThema in Springs, all obtained degrees from US universities during their exile in the late '70s and '80s

Molapo, 29, has a doctorate in education His wife Mamikie has a BA in human development and human resources management and an MA in home economics Mariri holds a BSc in political science

Together they started the SA Students Christian Association (Sasca) while in the US, under which they developed a personal improvement programme called ICAN.

"The 'I' stands for insight, the 'C' for commitment to improve oneself, the 'A' for assuming responsibility for one's own development, and the 'N' for never giving up," David Molapo said

Shocked by the state of schooling in SA, as well as the disillusionment among local youth, they began using the ICAN programme on their return to SA to pass on their message of self-development

Returned exiles, from left, Abner Moriri, Mamikie Molapo and David Molapo.

Funded by private sector companies, the ICAN programme "transforms dejected youths into people for whom life has meaning", Molapo said

In the past year they have travelled extensively on the Reef, addressing students and teachers, student representative councils and student organisations such as Cosas

The three, who recently started ICAN in Natal, have invited three black Americans to visit SA and assist with the programme from August 1

They are Virginia Caples, president of the American Home Economics Association, Bernice Richardson, a family studies expert, and Leola Adams, also an authority on home economics

Nafcoc executive plan finds favour

(172)

THEO RAWANA

A NUMBER of companies have approached Nafcoc about its programme for increased black participation in the corporate world, outgoing president Sam Motsuenyane said at Sun City yesterday.

Delivering his last presidential address after 24 years, Motsuenyane also said Nafcoc's plans to train board directors had already been set in motion.

Nafcoc's 10-year plan triggered a lot of corporate criticism at its unveiling last year in calling for

- ☐ 30% black representation on the boards of companies registered on the JSE,
- ☐ 40% black representation in the equity structures of such companies,
- ☐ 50% of the external supplies of such companies should come from black-owned enterprises,
- ☐ 60% of the top managerial structures should comprise blacks

B/DAY 29/7/92

Motsuenyane said the actual programme content and instruction modes for the training programme for board directors were being jointly developed by Prof Andy Andrews, former Dean of Wits Graduation School of Business and director of the Graduate Institute of Management and Technology; and Prof Prakash Sethi, associate director of the Centre for Management at Baruch College, City University of New York.

"This programme will be on a par with the best such programmes in the US and UK, although it will be adapted to meet the unique legal and economic conditions of SA," Motsuenyane said

"Once we start developing a cadre of qualified people, it will be hard for the companies to hide behind the excuse that high-calibre people for board membership are not available"

PEOPLE'S LIVES An important role for women to play to bring about political change

Women must play a role in business

Linda Zama

BUSINESS ROLE Black women need to be trained to take their rightful places in boardrooms and not just as secretaries:

Sowetan 30/7/92.

By Joshua Raboroko

(172)

BLACK WOMEN NEED to be given proper training so that they can play a meaningful role in business

They have to be part of the production machinery instead of being consumers in a democratic, market driven economy

These views were expressed by most women at the 28th annual conference of the National African Federated Chamber of Commerce (Nafcoc) on the role of women in black business

Leading the discussion, Durban-based human rights lawyer Ms Linda Zama said black women could not participate meaningfully in business if their role was not appreciated.

If not they would be lost to white business as junior partners. The role of women in business was to participate fully.

"When one analyses the role played by women in business, one notices that repressive cultural practices of relegating women to secondary positions have not assisted commerce and industry," said Zama

"It is unfortunate that black women too have not fought to participate and play a meaningful role in business"

Zama said that women have to improve their skills from the top to the bottom

There were not many at the top, she said, adding "We need to train women wherever they are so that they are equipped for effective participation

> **"When one analyses the role played by women in business, one notices that repressive cultural practices of relegating women to secondary positions have not assisted commerce and industry"**
>
> **- Linda Zama at Nafcoc annual conference**

We must train our staff

"Most of them are secretaries. The question is what type of secretaries? Can they be trained to be more than mediocre?

"And the answer to these questions is that we owe it to ourselves to train our staff This we can do and it must be done speedily," she advised.

Zama also stressed the role women should play in Nafcoc so that the organisation to bring about political change in the country

She also paid tribute to the late Mrs Marina Maponya and to the outgoing president, Mr Sam Motsuenyane

July 31 1992

Nafcoc pushes for blacks in top jobs

(172)

B/DAY 31/7/92.

THEO RAWANA

BLACK advancement on the corporate ladder, concern over the protracted violence and the preparedness of blacks to compete in the wider African market dominated Nafcoc's 28th annual conference which ended at Sun City on Wednesday.

The 2 500 delegates at the four-day conference gave the National African Federated Chamber of Commerce leadership a mandate to press ahead with the organisation's 10-year plan, a programme designed to see greater black participation in the SA corporate world

The plan, adopted by the organisation's summit conference last year, sought to achieve the following:

- a 30% black representation on the boards of JSE-listed companies,
- a 40% black representation in the equity structures of such companies,
- that 50% of the external and/or discretionary supplies of such companies should be sourced from black-owned enterprises, and
- that 60% of top managerial structures should consist of blacks

Sam Motsuenyane — who retired as president after 24 years — told the conference that Nafcoc had already set the machinery in motion for the training of managerial staff and board directors

"Once we start developing a cadre of qualified people, it would be hard for the companies to hide behind the excuse that high calibre people for board membership are not available," he said.

Motsuenyane also said that after the initial corporate criticism of the idea as "unrealistic, asking too much, advocating a quota-system and wanting to promote unqualified people", a number of companies had started seeking Nafcoc's help in developing programmes to meet the criteria set forth in the plan.

The debate on violence ended with a resolution that UN special envoy Cyrus Vance would be asked to recommend to the UN to send a force to monitor violence

A permanent structure would be established to meet with overseas personalities and brief them on the SA situation

Nafcoc regions were also strongly advised to get fully involved in local civic structures that sought solutions to the violence, of which they were mostly prime targets

With overseas markets opening up for all SA businessmen, the organisation set out to train blacks to be on par with the best in the world

Grading the job

W/Mail 31/7-6/8/92 (172)

Weekly Mail Reporter

SOUTH AFRICAN trade unions are increasingly becoming interested in job evaluation and management may not be ready for this change of face, according to an Ernst and Young's *In Touch* newsletter

This process — whereby employers evaluate employees for promotion, demotion or salary adjustments — has in the past been widely rejected by unions Unions saw grading systems and job evaluation as managements' means of maintaining employees' upward mobility It was also perceived as a mean of undermining workers' collective bargaining power and dividing workers by stimulating competition among them

Also, says *In Touch,* employers have in the past misused job grading to "deskill" job categories by removing the more skilled elements of jobs from the grade Also, there is little understanding of job grading and unions confuse this with upgrading

But unions have recently realised that they can use job evaluation to prevent victimisation and discrimination, reward workers for skills as a well as boost wages.

Therefore, recommends *In Touch,* employers should begin educating workers about job evaluation and dispel negative perceptions about it.

"The challenge facing management today is that of how effective involvement and participation can be achieved, while at the same time maintaining the integrity of the system," Ernst and Young comments

Management 'must change'

(172)

EDWARD WEST

PRIVATE enterprise in SA needed to undergo a revolution in management thinking and practice if it were to meet challenges of being a global competitor, CSIR president Brian Clark said. B/DAY 4/8/92

Clark told the annual conference of the SA Institute of Industrial Engineers yesterday the management revolution should begin by placing a greater value on SA's engineers who comprised less than 6% of SA's student population

Industry should also formulate outward industrialisation strategies such as getting to grips with product and process design required by an export-orientated competitor

Clark said the workforce needed to be reconstituted and social value systems should enjoy higher priority SA was headed toward higher productivity with higher unemployment In a hostile trade union and labour cost environment, automation, mechanisation and computerisation of production, manufacturing and engineering processes would be used to decrease reliance on labour

Industry should contribute to reversing three trends perpetuating SA's lack of skilled manpower. Adult illiteracy was of staggering proportions, the student population was racially skewed and there was a mismatch between the needs of the economy and the type of education being pursued by young people, he said

Firms should also assign a higher priority to the technical details of technology procurement, development, application and management

Firms reject 'black' quotas

610497 6/8/92

THEO RAWANA (172)

MANAGEMENT quotas were not the answer for the new SA and would continue to be rejected by companies, a management development consultant told an affirmative action workshop in Vereeniging yesterday.

Gideon Malherbe of the Central Training Unit (CTU) said proposed legislation demanded that 30% of all executives throughout the country must be black within 10 years.

He said a recent study on affirmative action showed that 75% of businesses nationwide were "extremely" concerned about a new government imposing legislation which would demand that a certain number of management positions be "given" to blacks.

"SA firms will continue to reject 'black quotas' until the government and political parties consider the alternative, the Best Endeavour theory ...

"This concept agrees to a time limit for black advancement, but the crucial difference is that it measures the effects and decisions and the 'best endeavours' of each company over that time scale. It does not force a quota of blacks into the company at the end of the time limit," Malherbe said

S/Times (Bus) 9/8/92

A lot of fun out of his work makes him tick

(172)

By ZILLA EFRAT

MIKE Egan still fantasises about being a tough advocate, forcibly arguing his case in court.

But after a year at the helm of Interleisure, he knows he has found his niche.

"The concept of business makes me tick," he says.

He feels at home in the entertainment industry. He especially enjoys the immediate feedback of this business where products, such as movies, are launched every week.

Mr Egan, 37, makes a point of enjoying most things in life no matter where he is and concedes to being "a bit of a hedonist".

"There is no room in my team for anyone who does not enjoy himself or have fun in his job. But that does not mean that I don't take our business seriously."

Mr Egan admits to being ambitious and attributes his success to "being in the right place at the right time" and an insatiable quest for knowledge.

Many years ago, a boss told Mr Egan that he was paid to spend two hours a day with his hands behind his head and his feet on the desk — thinking

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The message has stuck He does a lot of thinking, often at the oddest times. He often wakes up in the middle of the night with ideas.

Mr Egan says: "The most important skill in the entertainment industry is to be able to pick the right team and then let them get on with the job. There is no way one person can run the whole show and get it right."

Given the complexity of the business and its people, his management style varies considerably.

"My job is to manage people who manage people I try to match the style to what is important to them, but I don't always get it right I encourage people to take some risks and make some mistakes."

Because he would hate to leave the entertainment business, Mr Egan's ambitions are focused on expanding Interleisure.

The group holds Ster Kinekor, Computicket, as well as food chains Mike's Kitchen and Porter House. Next to the SABC, it has the biggest television production facility in the southern hemisphere.

Mr Egan says Interleisure's most immediate challenges are similar to those faced by most SA companies — overcoming the combined effects of the recession, violence and political uncertainty.

A future battle could centre on countering attempts by TV broadcasters to take production in-house instead of leaving it to the experts.

Another could be protecting investments in the fast-changing cinema world

Mr Egan is no stranger to challenge. He recently won a battle he fought for four frustrating years.

After changing its mind many times, the Government has agreed to allow cinemas to open on Sundays — a move which is expected to boost cinema attendances by at least 5%.

Mr Egan is opportunistic and takes things as they come. Most developments in his life, however, have not deviated much from his broader long-term plans.

As a child growing up on the East Rand, he dreamed of becoming a lawyer. But an encounter with public international law and Roman law at Wits University proved too much.

He hated these subjects "with a passion" and soon switched his BComm courses to business and not law. He later qualified as a chartered accountant, but he did not wish to practise.

His plan was to get into Big Business and to achieve this, he completed his articles with Deloitte Haskins & Sells.

He thought he would be able to target a company he wanted to join from Deloitte's list of clients.

He also recognised he had a feel for the service business. He had no interest in manufacturing, being hopeless at anything mechanical

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In 1981, Mr Egan joined one of Deloitte's clients, the Rennies group, as financial director of its airfreight division.

In 1983, he was transfered to Holiday Inn, but found himself in the Kersaf group two years later when it acquired the casino resorts from both Southern Sun and Holiday Inn.

This is when Kersaf took over Sathel, Interleisure's forerunner, and made him its financial director. Interleisure was listed two years later.

Although Mr Egan's weekdays are given over to his job, Saturdays belong to him and are usually spent on the golf course.

He has played golf all over the world "with a core of guys who share a common passion for the game"

Sunday is family day when Mr Egan spends time with his wife and four children.

To unwind, the Egans often head for the bush and watch birds. Mr Egan and his wife Janine also make a point of travelling abroad at least once a year to spend some time alone together.

A change in style, but the philosophy remains the same

(172) 12/8/92

B/DAY 12/8/92

MARCIA KLEIN and ALAN FINE (172)

SOME managing directors make good "fixers", salvaging — perhaps ruthlessly — a company from the brink of disaster and successfully repositioning it in the market. But, once that job is done, they may lose a little of their enthusiasm for the task and start eyeing new challenges

Others may, at this point, be better suited to the period of consolidation and honing of the institution to ensure that it retains its newfound competitive edge

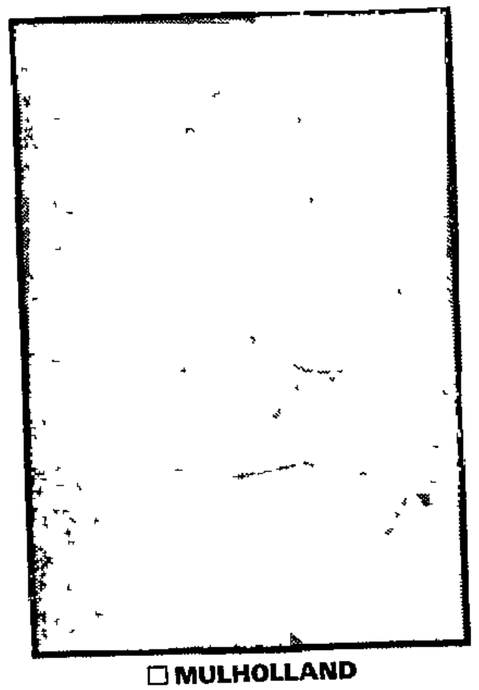
That may be a fair assessment of next month's long-rumoured switch at the top of Times Media Ltd, made official yesterday with the announcement that MD Steve Mulholland has been appointed MD and CEO of Australian publishing group John Fairfax Holdings, and will be replaced at TML by David Kovarsky, Consolidated Metallurgical Industries executive chairman and a director of JCI Kovarsky has been a TML director for the past five years

Yesterday, Mulholland — who raised his high public profile even higher earlier this year when he formed the Private Sector Referendum Fund and raised almost R4m for a "yes" vote — said he would have been quite happy to stay at TML until retirement in five years' time. The attractive offer to become MD of "one of the world's leading publishing companies" had come out of the blue

Pressed further, though, he conceded that, after having worked hard at the beginning "there are now fewer demands on me and I am not a steady plodder" But he leaves with "a sense of comfort about TML, which is a smoothly functioning company".

Mulholland said in Fairfax's official announcement issued in Australia yesterday that he was unimpressed by people who sat in their offices writing memos He would try to make Fairfax "even more action-orientated than it already is"

Mulholland took the helm at the then SAAN in 1986, a year after the haemorrhaging Rand Daily Mail and Sunday Express had been closed, but when the company under Clive Kinsley was still deep in debt and still making losses Gordon Waddell, the chairman of controlling shareholder JCI, was determined that SAAN would be restored to profitability in collaboration with the Argus group Mulholland was seen as a corporate doctor by the business world and as a hatchet man by others



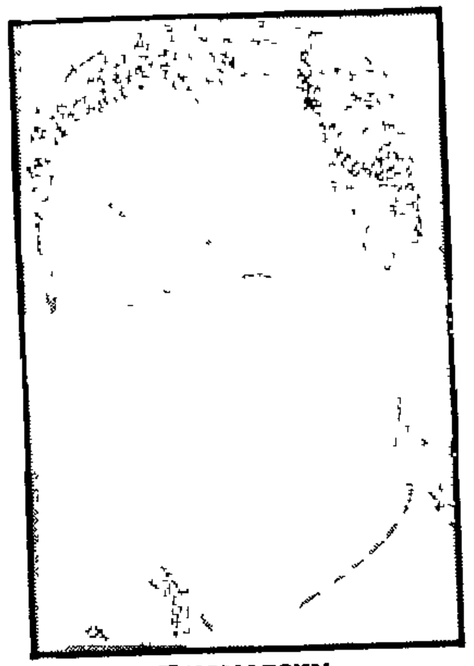
☐ MULHOLLAND

The upshot of the salvage operation was a joint printing agreement which allowed SAAN to sell its plant, equipment and building to raise money to repay its debts The financial turnaround was accompanied by a name change to TML and the positive cash flow that resulted allowed the company, under Mulholland's management, to expand beyond its newspaper base and into the new world of electronic information services

Mulholland's strength was his ability to see opportunities. Acquisitions and investments in various specialist publications and grassroots development of other forms of electronic media such as I-Net followed, as did an increase in the company's exposure in M-Net, changing the scope but not the nature of the company His strength was spotting and taking opportunities He was less interested in the mundane running of divisions, leaving that to carefully picked subordinates.

He will not be facing quite the same challenge at Fairfax, whose publications include the Sydney Morning Herald, Melbourne Age and Australian Financial Review. It is budgeting for A$123m (R250m) in pre-tax profit in the current year But it is shouldering a huge debt because of the legacy of the so-called Warwick Fairfax debacle, in which a youthful new owner played games with junk bonds and pushed the veteran publishing group to the edge of ruin Fairfax also faces large capex requirements for upgrading its presses.

Fairfax has, in addition, lacked leadership, and he aims to instil there what he sees as his legacy at TML — a culture of "participatory management, open communication and lack of formality".



☐ KOVARSKY

Although it is true that the growth in newspapers worldwide had been unimpressive in terms of readership, Mulholland believes newspapers will continue to have a permanent role.

Newspaper publishing is a mature, rather than a sunrise, business. But it remains a profitable business and a cash generator. Increased literacy and affluence among blacks in SA will also result in increased demand — as evidenced already by the growth of the Sowetan and the Sunday Times's black readership

Kovarsky, 44, says he shares Mulholland's philosophies, if not his management style He shares with Mulholland, he says, a passion for customers and consideration for employees and shareholders

Mulholland expressed hurt with a report in the Financial Times of London yesterday which described him as a man who put "profit before principle" "I have never done so, I have never interfered with editorial freedom," he says. Editors in the TML group confirm that.

Kovarsky, addressing the vexed question of concentration of ownership in the SA economy and in the Press in particular, expresses the same respect for editorial independence He says he understands the perceptions that exist of a centrally controlled Press, but says that is not the reality

Nevertheless, he is not opposed to an "unbundling" process, so long as it serves to enhance shareholder wealth as well as address the political questions involved.

Having spent some years handling JCI's corporate strategy portfolio, he describes himself as a "rehabilitated accountant" — the CA degree having been completed at Wits University in 1970 following a schooling career at King David, Linksfield

He also holds directorships with Premier Group and SAB, but plans to relinquish all of these, including that at JCI.

As a non-newspaperman, his first task at TML will be to embark on what he believes will be a big learning curve "I will have to spend time with the editors, the people on the floor, learning about how a newspaper is put together, printed and distributed."

But, he says, "I know the difference between a good newspaper and a bad one — what makes it sell." On the whole, he thinks the group's newspapers, and the company, are in good shape But, he warns, "you cannot be complacent about any business If you lose the edge, you can be left behind"

Incentive bonuses can produce good returns

B/DAY 14/8/92 (172)

COMPANIES are taking a new look at organisational incentives in search of creative new approaches that meet the challenges of changing times, says Ernst & Young Corporate Advisory Services regional director David Thayser

One or two companies Ernst & Young has looked at have produced sparkling results at a time when the performance of many other companies has left shareholders disappointed.

What distinguishes this handful of companies from the rest?

"Speaking volumes for the 'invisible hand' working towards the common good through the profit motive, the distinguishing feature of these companies has been a no-holds-barred approach to effective sharing of rewards — to the tune of as much as 100% of annual salary," Thayser says.

"The companies that are making it work are putting a lot of money on the line. But in the specific areas where such incentives have been implemented, it has effected nothing less than a complete turnaround from, in one case, a loss situation to healthy company profits," he adds.

Listed, long established companies are involved in all such cases.

The common thread in these companies was declining fortunes, prompting a management shake up and the appointment of a new chief executive who committed his organisation to the use of incentives to release more potential.

"The companies are now making real returns — in excess of their cost of capital — and the managers are being rewarded accordingly. For strategic reasons they prefer to share their good news anonymously."

Thayser notes that the key to their approach has been a structured programme of incentives This is important because many programmes currently in operation measure the wrong things, or fail to meet the most important criteria.

Creation

This is to reward only superior performance with the super rewards being tied to the creation of value in the company. Some broad principles for the formulation of organisational incentive schemes emerge from an analysis by Ernst & Young of test cases.

Firstly, the objectives of any scheme must be clear and the results must be measurable. If not, the scheme may end up unintentionally reinforcing mediocre performance and wasting effort and funds.

Secondly, incentive schemes appear to be more effective when they address a number of objectives by rewarding performance in different ways. At one level it may, for example, be appropriate to reward effort only, rather than results.

Thayser says there are times when economic conditions do not allow value to be created. But not to reward effort which makes the best of a bad situation might be counter motivational.

Thirdly, sight must not be lost of what is being rewarded by incentive schemes. Share incentive schemes, for example, tend to be aimed at the long term retention of staff, but might be most effective in creating a disincentive for staff to leave rather than rewarding specific superior performance

But the key consideration, says Thayser, and the factor that leads to success, is whether rewards are being made in the areas that add the most value to the company.

Only in this way can the performance of management be brought into line with shareholder objectives to the benefit of both groups.

When it comes to measuring effectiveness, many schemes are driven by earnings a share (EPS), a measure clearly inadequate since it fails to take into account efficient use of capital employed.

Often earnings can be achieved only at the expense of an uneconomic investment in fixed and working capital

Firm boasts vast pool of expertise at its fingertips

172

B/DAY 14/8/92

THE Corporate Advisory Services (CAS) division of Ernst & Young is staffed by specialists who have access to a vast pool of professional expertise and extensive client networks

CAS directors, many of whom have held senior financial management positions in commerce and industry, manage client transactions and advise on financial policy.

At the helm is MD Claire Herbst who specialises in corporate finance and financial policy She is regarded as a leading expert in the merger and acquisition field and has been invited to speak at prominent business and financial conferences.

Graham Royston is a former merchant banker and corporate finance specialist, and David Perlstein is a full time "deal maker" seeking to identify potential transactions

Specialist

Raoul Kaplan is a specialist in the tax structuring of local and cross border transactions, Henry Kleinsmith is a specialist in financial markets who also provides corporate advisory services to major Afrikaans speaking clients, and David Thayser is head of the division's research.

As a division of Ernst & Young, CAS has access to a client base covering several thousand SA businesses. Ernst & Young has 176 partners in southern Africa who are well connected with many non-client members of local business communities.

This vast network of business contacts has resulted in the production of an extensive database of potential merger and acquisition opportunities — both for sellers of businesses and parties looking to make acquisitions.

Confidential

The network provides clients with confidential communication between prospective buyers and sellers

Moreover, for businesses seeking access to the international marketplace, Ernst & Young Global Mergers and Acquisitions Network provides SA firms with an entree to 500 offices in 100 countries

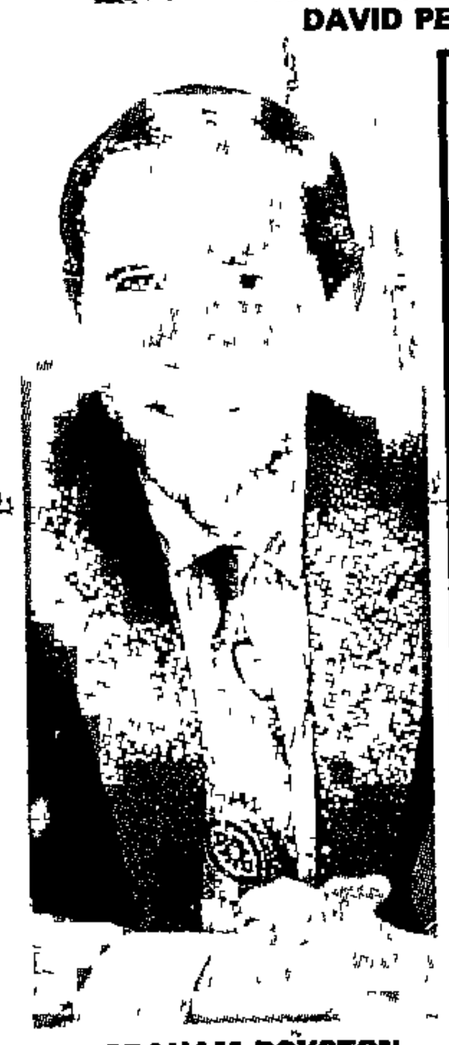
This gives an unparalleled channel to international business contacts with considerable experience in initiating, structuring and implementing cross-border transactions.

Industry specialists in various spheres of business are able to ensure a client's needs are evaluated by professionals who are an integral part of the local business community.

This service covers the full range of financial, tax and other regulatory requirements and an evaluation of merger and acquisition activity in the local market.

Ernst & Young differs from others in the financial services industry as it does not itself finance transactions on which it advises Nor does it perform underwriting or similar functions.

DAVID PERLSTEIN



GRAHAM ROYSTON

Professions find openings

(172)

S/Times (Buss) 16/8/92

SERVICE companies are opening offices or establishing links in many African states.

They are providing legal, accounting, travel and information services

One such firm is attorney Hofmeyr van der Merwe.

Partners Fiona Walker and Danie Erasmus say the firm is establishing informal links with professional people, such as those in law and accounting.

It is also making contacts with central banks and tax departments of African nations

Mr Erasmus says the firm has a large corporate client base It offers legal and other services to SA companies wishing to do business in the rest of Africa

Miss Walker says: "We draw up documents, such as contracts, in SA and send them to the local people for them to fine tune We draw on expertise from several different firms. They are also selected for their connections in both private and public sectors"

Hofmeyr van der Merwe has formed links with Botswana, Namibia, Zimbabwe and Kenya High on the list for the future are Angola, Mozambique, Nigeria and Zambia

Also in the legal field is the Lex Africa network established by attorney Werksmans.

Quality

It includes firms in Kenya, Zimbabwe, Botswana, Namibia and Swaziland

Partner Sean Larkan says: "This will ensure that our clients who have business interests extending into Africa will have immediate access to high-quality lawyers whom we know, work with and can recommend.

"The network is non-exclusive and any member can place a client's matters in the hands of the lawyer it believes is most appropriate, even a non-member."

Standard Bank Africa banking group chief executive, Manfred Schutte, says the bank has set itself the task of expanding its operations across SA's borders

Standard has the Union Bank in Swaziland, the Union Bank of Botswana, the Standard Bank of Namibia and the Standard Bank of Bophuthatswana. It holds a minority stake in Banco Standard Totta in Mozambique and has a representative in Angola. It is negotiating to start operations in Madagascar. High on the list of priorities is establishing operations in Zambia, Kenya and Zimbabwe

Mr Schutte says "It is not that the banking services in these countries are inadequate Many of them have established international banks However, we see a large increase in regional trade and our existing clients will be the ones involved in it We want to be in those countries to help them"

On the auditing front Ernst & Young member firms in Africa have established Ernst & Young Africa Group Members co-operate in the provision of audit and consultancy services to clients throughout the continent

Deloitte Pim Goldby Management Consultants Natal managing director Guy Harris says a recent meeting of all the Deloitte consulting offices in Africa agreed to co-operate in areas such as training and marketing.

Mr Harris says there was a strong emphasis on helping both public- and private-sector clients to exploit opportunities, counter threats and build on strengths.

"For any African enterprise to compete effectively in the global village, we have to provide world-class consulting solutions"

Saatchi Klerck quick off the mark

S/Times (Buss) 16/8/92

ANOTHER service company which is expanding its interests in Africa is Advertising agency Saatchi & Saatchi Klerck & Barrett

Chief executive Jurie Snyman says no marketer can afford to ignore Africa

"There is a new kind of consumer in Africa — young, an average of about 17,5 years old, and looking for economic empowerment The freedom fighters are gone.

"There are 650-million people in Africa and the figure is expected to double by 2009. There are problems — but also opportunities," says Mr Snyman

(172)

Radio

"The young consumer is committed to education. The literacy rate in Africa was 26% in 1975 It is now 48% and increasing

"The number of radio sets increased threefold from 1980 to 1988.

"There is enormous potential in satellite television"

His company decided to move into Africa in 1990 More and more customers want service in Africa

The company has links with Mozambique and strong ties with a firm in Zimbabwe Saatchi has also tied in with firms in Ivory Coast, Nigeria, Ghana, Kenya, Namibia, Botswana and Zambia It is in the final negotiation stages with firms in Angola and Malawi.

"We have tied into existing firms Because we were first in the field, we have had the opportunity to pick the best

"This is the first time an African advertising agency network will be run from Africa — from our Johannesburg offices

A slow starter sprints to the top of the tree

172

S/Times (Buss) 16/8/92

NEW Times Media managing director David Kovarsky has much in common with predecessor Steve Mulholland. It is not only their tall, lean, American business-school look — they both hate caffeine, dislike working behind a desk and are irritated by stubborness

But unlike Mr Mulholland, Mr Kovarsky does not often lose his temper — perhaps four times a year — and seldom phones his secretary after hours Ten years ago he wouldn't have dreamed about heading a newspaper group.

"I was somewhat of a slow starter and didn't really believe in myself," says the 44-year-old accountant

That changed as he started succeeding, first as an auditor, then as the financial director of a clothing company and while holding similar senior positions with Litecor and Trade & Industry Acceptance Corporation.

His big change came in his mid-30s when he joined JCI as a senior manager in the corporate finance division. Within eight years he was at the helm of JCI's Consolidated Metallurgical Industries and a director of some of SA's top companies, including SA Breweries and Premier Group.

When he moves into his 10th floor Diagonal Street office next month he will not change Mr Mulholland's distinctive art collection or his casual yellow furniture

"I don't want to give the impression that I am spending the company's money," he says.

Also unchanged will be TML's relationship with JCI.

"I know there is a perception that as a JCI man the balance between the two group's will change. But that is not the intention. I am breaking all links with JCI — resigning my board appointments — and will continue to run TML as an independent company."

TML will look out for acquisition opportunities — provided they slot into the group's focus of media and information vending.

Mr Kovarsky leaves CMI at a time when the group is still in the red because of dismal metal markets. In contrast, TML has shown strong growth, but could come under pressure because of the prolonged recession.

"I am big enough to realise that a company's performance does not depend on one person. Despite the pressure on advertisement revenue, I believe TML is capable of matching last year's profits."

Mr Kovarsky's experience of editors and journalists has been mostly through his job as CMI chairman and as a TML director. As a man who believes "complacency is a sickness", he admires questioning and confrontational minds — but to a point

One of his most difficult tasks could be dealing with TML's strong-willed editors who often resent management interference

"Obviously they know more about the newspaper business than I do I believe I can handle them in my own way."

He has already some personal exposure to TML's operating divisions, like the premium rate phone service Call-Net. He called an 087 sex line "just to see what it was all about But I gave up after two minutes because the couple had only just started talking to each other There was no way I was going to wait 10 minutes to find out what went on".

Like Mr Mulholland, Mr Kovarsky professes to have an open-door policy.

"When I joined JCI, Gordon Waddell used to invite all new staff members to lunch. He would then ask them whether they were busy and whether they had any complaints. In those days JCI had awful doors that closed automatically. I mentioned this to Waddell. When I arrived at work the next day, the doors were out." His door has been open ever since.

On the issue of unionised labour, Mr Kovarsky believes that his challenge will be to get workers on side

"I think both management and workers in SA are going through a learning curve. It is essential that we improve productivity, but unions must become depoliticised."

Mr Kovarsky remarried earlier this year He met his new wife Ann Lamont while she was working at JCI as a lawyer in the corporate finance department. Mr Kovarsky has two children from his previous marriage. Son Kevin, 19, is studying for a BComm at UCT and daughter Tanya, 16, is at King David Linksfield school

As one would expect of a media boss Mr Kovarsky reads many newspapers and has a soft spot for the Independent and the Financial Times. At home, when he's not reading mystery stories, he enjoys books on modern history and is currently battling to finish Milan Kindura's Immortality.

"I am forcing myself to read right through I've put too many of his books down without finishing".

He keeps fit, likes movies and would appreciate it "if someone out there can explain Barton Fink to me"

Another to leave

S/Times (Buss) 16/8/92 (172)

ANOTHER South African with motoring connections has been appointed to a top managerial position abroad.

Deryck Spence, chief executive officer of Castrol SA, will become regional director of Foseco International in Europe from October 1.

Clive Butler-Wheelhouse, managing director of Delta Motor Corporation, will soon move to Saab in Sweden.

Foseco specialises in the production of metallurgical and construction chemicals and was acquired by Burmah Castrol in a hostile bid in 1991 for £270-million.

Mr Spence will be based in Birmingham and will be responsible for European operations.

London gold

This innovative scheme benefits all employees

STAR 19/8/92

(172)

Companies play a crucial role in socio-economic upliftment. But, while a typical job package includes medical aid, housing and pension benefits, many employees — especially those at the lower end of the scale — don't know how to use these schemes to improve their lifestyle.

PX, an arm of the Transnet giant, decided communication was the answer, and has embarked on a scheme to enlighten and educate their 16 000 employees

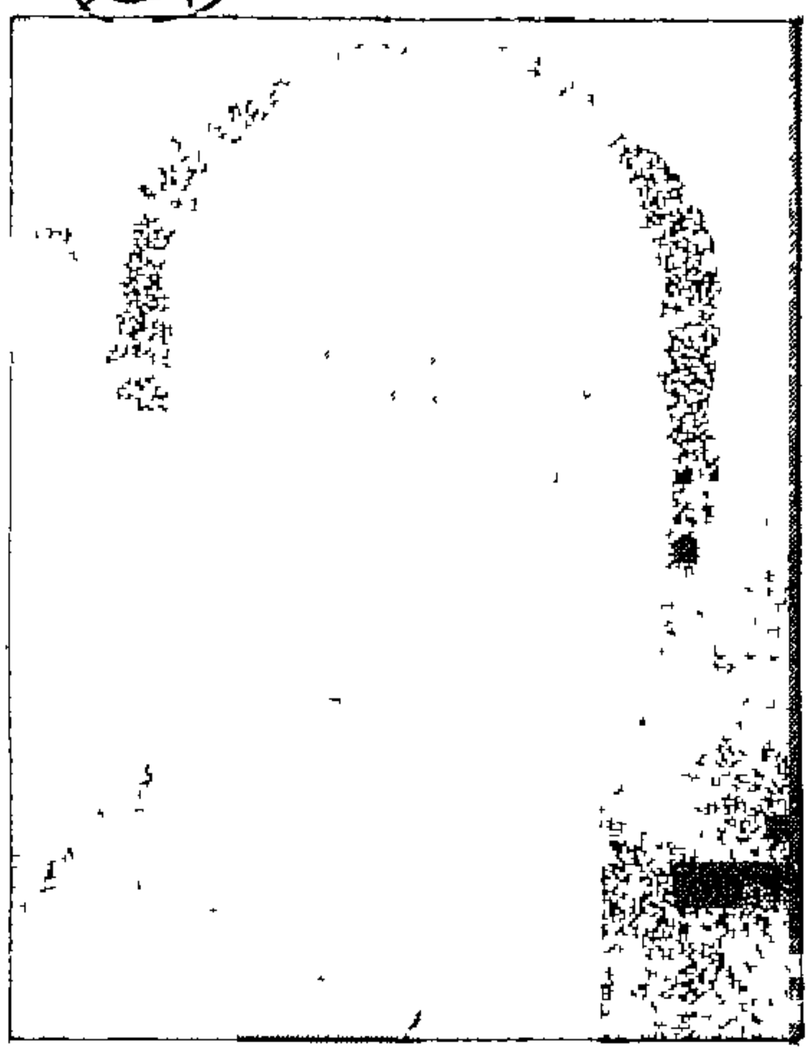
Phase 1 of the communication exercise included posters which made use of the soccer team as a metaphor for co-operation and success through team effort

Says Chief Executive of PX, Wicus Pretorius: "The first phase showed us how we could reach our goals by working together"

The exciting follow-up phase will concentrate on "how to" information.

Video facilities will be set up at different PX centres, and employees will be able to select prepared programmes on the benefit on which he would like information — medical aid, pension or housing.

The videos will be screened in a choice of Zulu, Xhosa, Sotho, Tswana, English or Afrikaans.



Wicus Pretorius chief executive of PX

These facilities, to be installed in PX mini-containers, should be operational by year-end

The main focus will be the PX transit hubs of Johannesburg, Cape town, Durban, Bloemfontein, Port Elizabeth and Kimberley

Another growing need which the company became aware of is for creche facilities for working mothers.

PX, in consultation with Femnet, is to establish creches in partnership with the workforce. The first of these creches goes into operation next month at Kazerne, in Johannesburg

PX has undertaken to provide the physical infrastructure — the building, play area, equipment and materials — while the operation of the creches will be funded by staff contributions

Wicus Pretorius commented "As an organisation we believe in the dignity of people We believe in a hand-up rather than a hand-out. Only then does individual self-esteem grow to such an extent that workers feel empowered to seek their own upliftment — first as employees, then as role models inside their own communities."

Affirmative action a priority in SA

STAR 19/8/92 (172)

Despite current lobbying by the ANC, Cosatu and other groups, black advancement programmes are not new to South Africa, says Mike Coppin, chief operating officer of Drake Personnel

It is almost 20 years, he says, since many private companies first consciously adopted policies which were designed to produce black managers in industry

Today, says Mr Coppin, all South African companies should address the issue of affirmative action, which is by definition, a set of procedures aimed at proactively addressing the imbalances of the past and championing the cause of black people in business

The procedure is seen by some as the only way to overcome entrenched discriminatory obstacles that still stand in the way of disadvantaged groups achieving equality of employment

Mr Coppin believes affirmative action should become one of the most important human resource priorities of 1992

It should be integrated into companies' general business practice and seen as part of a holistic approach to personnel management, he says

However, he adds, with more than 90 percent of the top managerial positions in South Africa currently held by whites, the question to be asked is whether companies are ready to change

Perhaps the resistance to affirmative action can be sourced to its confusion with social welfare programmes, or the liberal principle that everybody should have equality of opportunity in a non-discriminatory environment

The racial issue naturally spearheaded the affirmative action lobby, but, Mr Coppin points out, the issue does not centre on black and white. It is imperative that gender discrimination should be addressed, as well as the widespread exclusion of the disabled from the job market

The responsibility for driving an affirmative action programme rests on the personnel manager, and in the present political climate, this job is not easy

Management are often apathetic, says Mr Coppin, while entrenched prejudices on the shop floor persist, and the personnel manager is caught in the middle

At one multinational, which implemented a policy of hiring first black men and women, then white women and finally white men, several staff members left when they realised the company was committed to an affirmative action programme

Is there an alternative to affirmative action?

Mike Coppin believes there is not. But, he says, the emphasis should be on creating the opportunities through which black people can prepare themselves to occupy more senior positions

Training and education within organisations will play key roles in achieving this goal

However, Mr Coppin adds, it is most important that management base their final decisions on promotion, job creation and advancement largely on merit.

Without this, say affirmative action antagonists, standards will drop and productivity will suffer

Integrated approach to social investment

STAR 19/8/92 (172)

Telkom, a employer of about 65 000 people, has introduced several social investment programmes, including cross cultural, dynamic growth (people development), managing diversity (equal opportunities), literacy, numeracy and bridging courses

An extensive range of preventative and supportative, uplifting and rehabilitating services are offered to employees and their family members who experience personal problems of a psycho-social, health and cross cultural nature

These services offer support where problems are experienced with, for example, Aids, alcoholism, burn-out, housing, life skills (self-actualisation, interaction, self-preservation), depression, marital problems and poverty

Equal service benefits (eg housing subsidies, allowances, etc) are available to all Telkom employees, regardless of race or sex

In addition, the company has many developed in-house staff advancement and training programmes

Those which warrant special mention are

- The managers' in-training programme, which has been developed for high potential employees who have been deprived of developmental opportunities in the past This programme endeavours to equip them with self-knowledge, interpersonal skills, as well as management functions within the framework of a culturally diversified milieu in order to enhance their promotability to management posts.
- Literacy/numeracy programmes: these are intended for unskilled workers, to enhance their potentail to acquire more advanced positions
- Practical technical training· a programme has been launched for employees who have been deprived of development opportunities in the past, to undergo practical technical training abroad

On the question of affirmative action, Telkom's policy is that affirmative action is not a "nice to have" programme, it is a strategic necessity to achieve sustainable competitive advantage and business viability

Media liaison representative Fanus Bothma states that Telkom has and will aproach affirmative action with a strong commitment It is a large organisation, and there is a real danger if a well-integrated approach is not adopted

There is no doubt that affirmative action is complex, and is linked to wide-ranging issues

Accordingly, Telkom has developed short, medium and long-term objectives for affirmative action

These objectives are accelerated job-skill/academic training, effective people management skills, and equal employment and promotion opportunities, whereby economic growth can be achieved

This includes, for example, upliftment, quality of work life and cross-cultural programmes and increasing employee participation to ensure a stable labour force as the established basis for interaction between management and employees

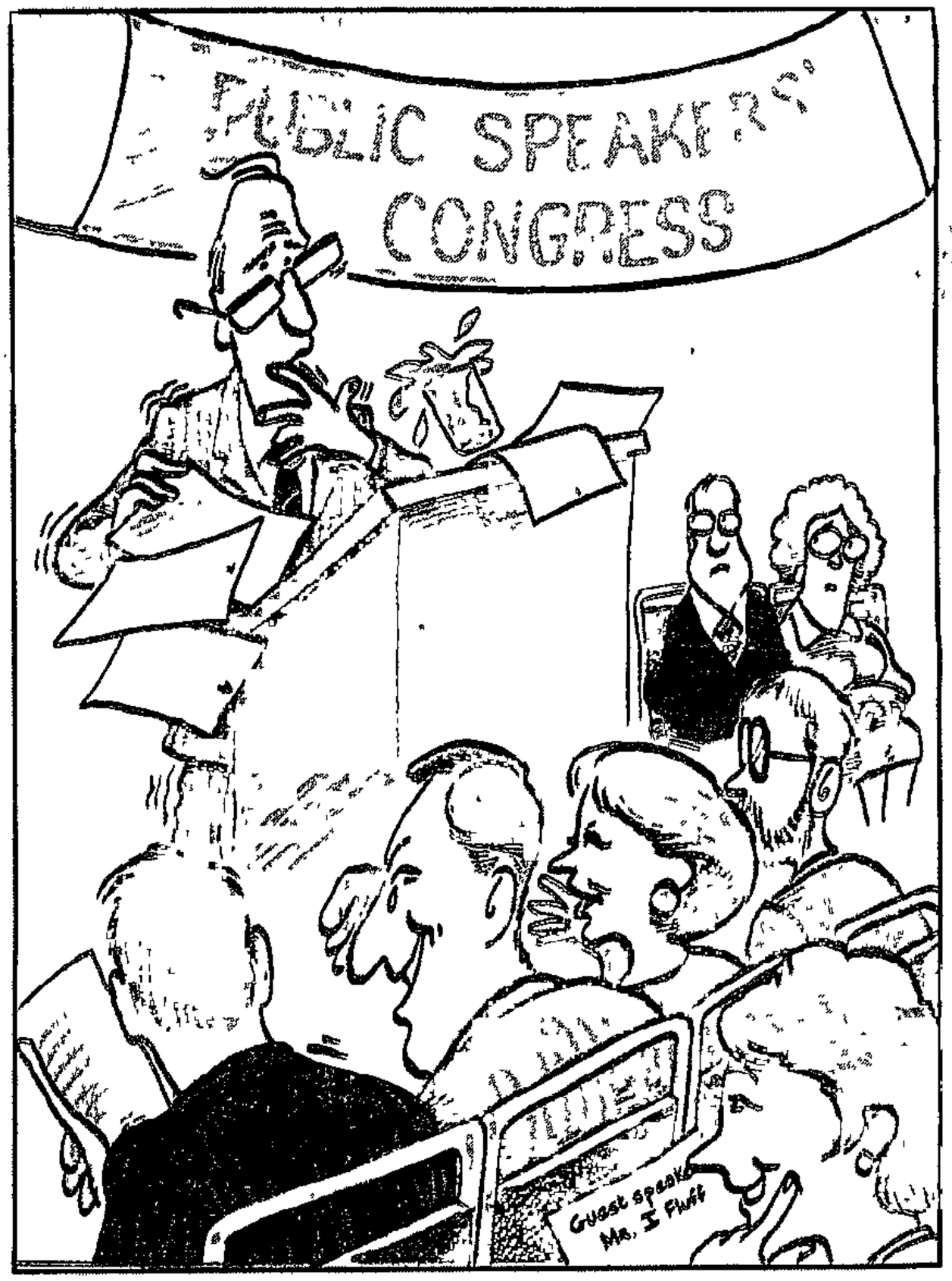
Although some problems are anticipated — externally and/or internally — with the application of affirmative action, Telkom's long-term and integrated approach and the fact that the corporation involves the unions in the structuring process, indicate that insurmountable problems will not be experienced in this regard

Grooming for the top

That twitchy feeling puts you ahead

STAR 22/8/92

THIS is the fifth in a series of six articles by CLIVE SIMPKINS, managing director, Communications Dynamics. 172



NERVOUSNESS, angst, butterflies, sheer terror. Call it what you will. If you are afflicted with it before presenting, negotiating or communicating it can be humiliating and destructive

Paradoxically, it is the greatest asset to aid effective and energetic presenting.

As Goethe said: "Only stupidity is without anxiety."

Symptoms

A racehorse so laid back that he munches grass in the starting stall will never win a race. Adrenalin must be flowing. To be winners both he and we must be "on edge".

Speak to any athlete or stage performer worth his salt and he will tell you the "hyped" state — positively channelled — is crucial to success.

As observed by Cervantes in Don Quixote: "Fear is sharp-sighted and can see things underground, and much more in the skies."

The physical symptoms of negative nervousness typically include a dry mouth, pounding pulse, excessive sweating, trembling limbs or voice, facial rigidity, stilted gestures and mental blankness

Ask anyone to describe how he would feel if he had won money at a casino and you are likely to hear of similar symptoms!

The temptation is to apply a "blanket" solution such as deep breathing, visualising, chanting mantras, tensing and relaxing muscles and allied voodoo to control nerves.

A technique will work only when it fits the individual's specific preferred information processing method.

Example· Verbal affirmations like "every day in every way I get better and better" will do absolutely nothing for a person who is not auditory.

Auditory people tend to remember names and numbers and tunes very well, processing experiences in words, sounds and language inside their own heads.

Some people cannot — and never will be able to — visualise. They do not remember faces, colours, places or routes easily.

Asking an athlete or performer to "visualise" himself winning or bettering a time might be asking the impossible.

I had the pleasure of working on precisely this problem with javelin champion Tom Petranoff. He had been advised to visualise and couldn't. I established that he was a words and sounds (auditory) person.

He is now happily making use of positive verbal affirmations

A third category of people is the kinaesthetics. They are into feelings, emotions, sensations and "vibes".

They will not remember your name or face, but they will never forget your handshake, the fragrance you were wearing, how they felt in your company or your "likeability".

Of course, nobody processes information in just one way

In my next article I will explore a simple technique for harnessing nervous energy.

Affirmative action needs commitment

SOWETO 22/8 - 26/8/92

ATTEMPTS to change white male dominance of top business leadership can backfire if not handled carefully

Tricky obstacles face firms committed to creating an environment where oppressed sections of the population enjoy equal opportunities to scale corporate hierarchies

Speaking at a symposium on "Affirmative Action and Black Advancement" organised by the Cape Town Chamber of Commerce, Ms Linda Human of the Stellenbosch Business School spelled out possible ways for businesses to give women a fairer deal in the workplace.

It is not enough, said Human, for employers to hire women and feel satisfied that their company escaped the "sexist firm" label Addressing male bias went beyond filling quotas to employ a percentage of women

"Affirmative action programmes often fail because they are seen in terms of filling quotas in recruitment rather in terms of the development of the individual within the organisation after recruitment," Human said

"Well meaning as they may be, quotas in recruitment can easily do more harm than good If positive discrimination means promoting inferior women over men, the company will suffer"

Human suggested that a "stringent people development system" within an organisation was vital where individual training programmes were mapped out to unleash the full potential of employees

Even this would be futile, Human argued, unless managements addressed their prejudiced thinking

"An important, and possibly the most crucial, practical reason why affirmative action programmes fail is that top management is often not committed to them

"In some instances, top management seems to want to appear to be making changes while retaining the status quo. In other instances, commitment is sorely tested by the predominance of other strategic objectives, particularly in times of economic downturn," Human said

Businesses were more often forced to adopt affirmative action schemes than an inherent determination to ensure equal access to boardroom power

"In the absence of legislative pressure governing the employment and development of women, it is difficult to be anything but pessimistic about programmes to combat gender inequality," Human said

She called for a complete change of approach to the mindsets of management. Instead of thinking about "employees as lazy, demotivated individuals who will shirk work at every opportunity", Human would like to see firms "think of employees as people who are motivated, who want to grow and develop, who want to take on responsibility and do a good job"

According to Human, this "people-centric approach" would be a big step in taking affirmative action seriously — and to a less cosmetic conclusion

QUENTIN WILSON

careers

Special rate for course

172

SOUTH 22/8 - 26/8/92

FOR ANY executive or marketing manager, training in marketing is an asset that will help him or her to understand the needs of the customer

JCR Education is running a full-time lecture course for matriculants and young people who do not have practical experience. For people already in employment, evening lectures, covering the whole curriculum, are also available.

The course runs over three-and-half years and covers 12 subjects.

Lectures are given at the Castle Mews Collegiate in Newmarket Street, close Cape Town railway and bus stations.

If you register before October 1, you can obtain 1992 fee rates for 1993. Textbooks are included in the fee structure.

For further information contact the principal, Mr John Clucas, at 45-2734 or 438-1387 (A/H).

careers

Special rate for course

(179)

SOUTH 22/8 - 26/8/92

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'We must change the future'

SOUTH 22/8-26/8/92 (172)

PATTERNS of economic control, ownership and management produced by the apartheid system will remain unchanged in a non-racial, non-sexist and democratic South Africa

Professor WL Nkuhlu, of the Independent Development Trust, told a Cape Town Chamber of Commerce seminar on affirmative action something had to be done to change social relations and provide blacks with access to resources to overcome economic marginalisation

"Meaningful implementation of affirmative action requires a national commitment to a policy of effective equal opportunity, and measures aimed at facilitating and supporting the participation of previously disadvantaged groups," he said

Nkuhlu said South Africa was in a transition from apartheid to a nonracial, non-sexist democracy, and as a result there was talk about affirmative action — but without a coherent policy.

It would be futile if the only aim of affirmative action was to compensate for the wrongs of the past

"The past is gone and cannot be retrieved It is the present and the future we can change," he observed.

"It must be aimed at making the future better, for this generation and for future generations as well "

Blacks constituted 85 percent of the country's population, and unless they were enabled to contribute meaningfully to economic development, South Africa's economic potential would not be realised

"It is therefore imperative that steps be taken not only to create equal opportunities but also to enable blacks and women to make their fair contribution to economic prosperity," Nkuhlu said

"Equal opportunity is no longer an issue — the real challenge is to change the behaviour of people."

Nkuhlu added that South Africans had been conditioned by apartheid over many decades to see people not as individuals but as members of different racial groups, ingraining racism in the minds and hearts of many.

This history and its legacy militated against blacks at the workplace and in the corridors of power in government and elsewhere.

The key to overcoming this problem was the removal of all forms of discrimination, formal and informal, and all obstacles to equality of opportunity

But, Nkuhlu added, blacks should be afforded support to enable them to attain a higher level of technological and managerial capacity

"All the efforts would be futile if they are not able to access positions of leadership and decision-making," he said

LUCAS MATI

(172)

Onus on the MD

S/Times (Buss) 23/8/92

MANAGING directors will be made personally responsible for general export incentive scheme (GEIS) claims as the Government clamps down on fraud and malpractice

From October each GEIS claim will have to be accompanied by a personal declaration by the managing director or chief executive. All claims will have to be accompanied by documents substantiating the exports, in particular, a "bill of export and declaration in regard to foreign exchange proceeds"

Claimants will have to submit more accurate information on imported inputs Cession of GEIS claims to another person will be subject to more stringent control.

GEIS audit guidelines have also been revised

and long range of the Learjet and the Challenger

Destinations include of the Angolan war The non-stop flight from Lanseria took just three hours, 10 minutes in a

nomenal performance allows them to fly higher, faster and further than competitor

of en route fuelling stops," says Mr White

For further information, telephone (011) 803-5870 or fax 803-6361.

Flexible staffing makes sense

(179)

STAR 24/8/92

In the current business climate it makes considerable sense to use temporary staff to handle the peaks and valleys of your company's secretarial, computer, administration and other needs, says Ladragh Cozens, general manager of Cozens Personnel

Moreover, corporate attitudes towards the use of managers over the age of 40 are going to change as SA loses younger middle-management level people who are emigrating

These are the two prominent issues of the current highly volatile personnel placement field in SA, she says

"I believe . personnel placement is a matter of well-researched detail to ensure that the best possible match is made between employer and employee I set out to encourage a culture within Cozens which specifically avoided the pitfalls on unselective recruitment," she says

However, she says, the client has a responsibility in the relationship as well Much depends on the client's brief and without good input (helped by Cozens procedures) something can get lost in the translation

Cozens's "hit rate" for successful placements is extremely high and its fall-off rate is very low — a proud record, and one that has generated a reputation that is hard to beat The company has branches in Johannesburg, Sandton, Kempton Park and Rosettenville

Cozens set out to provide the best possible across-the-board service — everything from truck drivers to top management That the formula works is a credit to the sheer professionalism of the staff

Training is given the greatest possible emphasis within the group and this commitment to quality is reflected in Mrs Cozens's involvement as vice-president of the Association of Personnel Service Organisations

Much has been done by the Association to raise levels of professionalism within the industry, to set a code of ethics and to act as an arbitrator in the event of disputes involving its members The standing of the body is underlined by the fact that SA will this year host the international conference of Personnel Service Organisations in Johannesburg

As for the immediate scenario in SA, Mrs Cozens believes in a tough business climate "flexible staffing" has to be looked at seriously "By this we mean making use of temporaray staff to help carry the company in time of peak loads such as year ends or stock taking for example"

"Basically the question you have to ask yourself is, why pay somebody an eight-to-five salary when he or she is doing a nine-to-one job In other words don't become trapped by the Peter Principle which says that work expands to fill the time alloted to it

"Put bluntly, do away with staff who are not 100 percent productive. The saving on pension benefits, medical aid, leave pay etc could make a significant difference to your bottom line

"At the same time in the present demanding market you cannot afford to let service and standards slip Applying a policy of flexible staffing ensures that they won't"

This message appears to be getting around whether out of necessity or foresight, more companies than ever are using temporary staff, she says Not surprisingly, therefore, Cozens is experiencing excellent demand for temp staff — and is handling it by applying exactly the same principles it has always done — ensuring the most accurate match of worker and client

"We have arguably the best portfolio of temp staff Certainly our level of client satisfaction in this respect tells us that we are doing something right," Mrs Cozens says Paradoxically there is also demand for permanent staff — particularly in the middle to upper management echelons

The situation is not being helped by the fact that in the current climate, companies are doing their utmost to keep top staff and for that matter the staff themselves are reluctant to move

"There was a time when South Africa's employees were highly mobile job, hopping on the pretext that this was the one way to gain experience

"The uncertain times have changed all that and consequently we are now dealing with a different ball game at this level The situation is being aggravated by the fact that younger managers and professionals are leaving the country, if not in droves, than certainly in increasing numbers

"This has major implications for the job market in South Africa in that corporate attitudes towards employing older men will have to change radically Until now, anybody older than 45 was tacitly regarded as being over the hill in management terms That is changing — and to the good, in my opinion, in that slightly older managers have a great deal to offer in terms of experience and we are going to see the emergence of a new class of black middle management"

For further information telephone (011) 333 1531 Fax 333 8242

Training tomorrow's managers today is company's aim

STAR 24/8/92 (172)

"Helping people to grow" is what motivates Gillian Kat of GKA Development and Training, the sole licence holder in SA for the outstanding Blanchard Training and Development and Blessing White Möhr range of training programmes

Believing firmly that she had something special to offer the market place, Ms Kat established GKA eight years ago with the commitment to make a contribution to developing people and with the confidence born of having been involved in training management in a number of major corporations

Her conviction was not misplaced Today, GKA is a successful and expanding training and development company, able to offer courses and packages particularly relevant to the changing SA

The Blanchard Training and Development link is a considerable feather in the cap for Ms Kat, in that BTD is an international leader in management and supervisory development

Those in the know will, of course, recognise the founder, Dr Ken Blanchard, as the author of the famous "One Minute Manager" series, and the developer with Paul Hersey of the original "Situational Leadership" model Ms Kat teaches Dr Blanchard's "Situational Leadership II"

Both Ken and his wife, Dr Marjorie Blanchard, are in close touch with BTD's international network Ms Kat recently returned from a conference in Copenhagen attended by Blanchard licencees worldwide

The conference was used as a platform to launch a number of new training products, all of which are now available in SA through GKA

In this context Ms Kat says she would like to clear up any confusion that may exist in the market place as to who holds the Blanchard licence in SA

"I am the sole licence holder and as such I have the sole rights to distribute programmes and train in the Blanchard name"

Similarly GKA holds sole rights in SA to the famous Blessing White programmes "Managing Personal Growth" and "Helping Others Succeed"

These programmes are arguably the best known of their kind, both here and internationally Their focus is self-development, empowerment and coaching, with particular emphasis on taking responsibility for oneself Blessing White recently took over Möhr Development internationally which means South African users of the Möhr programmes can now obtain them from GKA

Ms Kat believes that with her background (she was the first woman in SA to obtain a Master of Business Leadership degree), her products and her status as "master trainer" for two of the major training organisations in the world, equip her uniquely to deal with some of the burning issues that face management in South Africa at the moment

She identifies some of these as

- Empowerment and leadership skill development
- Managing change, team building and performance management
- Coaching skills, vision and values, and "walking your talk"

Ms Kat offers many practical "tools" which can be used on their own or to enhance existing programmes on these topics

The role of management is changing and SA managers, like their counterparts in other countries, have to learn to become team leaders responsive to the needs of their people

"We have to get away from the old command and control approach and move towards partnership with our people," she says

Due to the growing demand for her services and products, Ms Kat's business is expanding through the appointment of sub-licencees and agents

Her role in this scenario is that of international liaison with the overseas groups and a conduit for product knowledge She also provides expertise in applying and integrating her programmes in client organisations and trains client trainers

Her programmes, she emphasises, are workable and practical and should form part of the long-term strategies of organisations

Holding on to your existing productive staff is critical to the bottom line, Ms Kat says Therefore, attention must be given to job satisfaction as well as productivity and Ms Kat's "Managing Personal Growth" programmes cater for both

Gillian Kat and Dr Ken Blanchard

She believes that, having invested in a training programme, organisations should give it enough time and support to ensure success Given a chance to work, a carefully selected programme will work, once it becomes part of the system

GKA's portfolio is based on a "building block" approach, which adds value to the initial investment

One of the exciting things about the Blanchard and Blessing White programmes is that they complement one another

Furthermore each new addition reinforces the previous training while managers learn new applications of the original

This building block approach ensures the greatest possible cost effectiveness For example a newly launched BTD programme called "The Leadership Bridge" links Situational Leadership II to both Myers Briggs and DISC

"Confidence Through Assertiveness", a programme developed by Ms Kat and a partner, also adds value to the other training programmes by enabling delegates to implement managerial and supervisory skills confidently A special version has been tailored for security personnel including semi-literate and illiterate staff

The latest news is that the Blanchards plan to visit South Africa during 1993 and will be available to meet GKA clients

If you would like to know more, please telephone (011) 622-6006 or fax (011) 622-1560 or write to Gillian at P O Box 34472, Jeppestown 2043

Protect your assets

172

Sowetan

21/8/92

■ Your first step is to talk to an insurance firm:

ARE you a successful entrepreneur? Then you probably have little time to think about protecting your business But if you don't take care, it can disappear overnight.

Out of every rand they make, successful people put so many cents into assurances and investments

Let's have a look at what you need and how to make up a portfolio of assurances and investments. Your first step is to get in touch with an insurance company which have provides a range of plans There are plans that.

Protect your business against the disability or death of one of its partners.

- Protect your employees and build up cash for them.
- Let you get your hands on your money very quickly in an emergency.
- Protect your family if you get sick or die
- Help you save towards a goal

Keep your money out of reach so it is there for you when you decide to stop working.

ASSURANCE TO KEEPS YOUR BUSINESS SAFE

If you have business partners, have you thought what would happen if any of you were disabled or died?

Get a plan that protects the business It pays out a tax-free cash lump sum if you or a partner is disabled or dies. Moreover, the cover can be changed to stay in line with your needs as the business grows.

EMPLOYEE BENEFIT PROGRAMMES KEEPS STAFF LOYAL

These days, if you employ people you must ensure they get their rights. They need membership of either a retirement plan or a provident fund so that they will have an income when they retire

Several insurance companies offer excellent employee-benefit programmes that are tax deductible for the employer. Remember, employees are assets If you provide good benefits they will continue to work for you and become even more valuable.

Deferred compensation assurance also keeps staff content It allows you to invest up to one rand in ten of an employee's wages When the employee retires, the investment is paid to you to give tax benefits too.

Deferred compensation attracts good people to work for you and helps stop them from moving to another job

This is a revised version of an article by Paul Clipsham, Group Communications and Development Executive at Fedlife.

STAR 28/8/92

Fiery businesswoman honoured

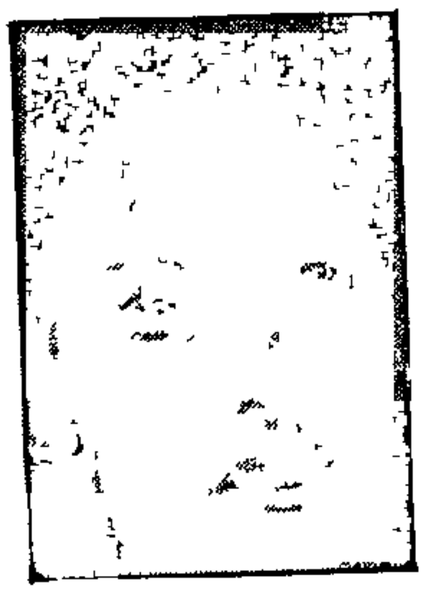
By Monica Oosterbroek

Courage, vision and sheer energy went towards the phenomenal success of 1992 Businesswoman of the Year, Margerett Macfarlane

Crowned Queen of Business at a ceremony in Johannesburg on Wednesday night, the Ziton executive director said she was delighted and surprised to win against four other top South African businesswomen.

Starting working life as a hairdresser, she now owns the only South African company to manufacture and export fire detection equipment

Mrs Macfarlane said the business started as a home industry 23 years ago. Forging ahead despite obstacles, Ziton now employed 150 people, exported as far as China and had a turnover of about R15 million a year



Margerett Macfarlane . . worst problem is lack of confidence

(172)

Ziton at present holds nearly 70 percent of the South African market for installation of fire detection equipment

Mrs Macfarlane has been involved in lifting the technical quality of Ziton's work to international standards, expanding and putting the company into export markets in the face of sanctions barriers and negative political pressure

With little education and no business knowledge, it was a case of learning by experience

After a strike in 1987, she strongly believes happy workers are vital to a healthy business

Mrs Macfarlane said "The worst problem women face in the business world is themselves and their lack of confidence It doesn't matter if the seller is male or female What counts is that the product is good"

She is at present expanding the export business to France, Germany and the US Not content with having 2 percent of the world market, she intends to have captured at least 10 percent by the end of next year

MANAGEMENT — 1992

SEPT. — DEC

Managers not coping, says expert

(172)

B/DAY 4/9/92

ADRIAN HADLAND

SA BUSINESSMEN tended to hide behind the weak economy and political uncertainty to explain their poor performance, management expert John Temperley said yesterday

Temperley, GM of Tasa International's recently established Management Audit Division, said SA managers were ill prepared to face current circumstances, due to a lack of expertise and experience

"This does not bode well for the entry of SA companies into the international market, never mind the impact rapid local change will have on the way companies are managed"

Temperley said managers often relied on simplistic or technique-driven solutions which would not equip organisations for survival.

"SA organisations face a unique array of concurrent challenges. entry into international markets, overcoming the legacy of apartheid, the development of black managers, and poor overall performance"

He suggested a thorough and objective assessment of companies' current positions, and the framing of possible solutions and strategies for success

Early signs of a failing company

172

S/Times (BUSS) 6/9/92

Andy Andrews

ON BUSINESS

THE business press has been full of reports of declining profits, margins and share prices

Many firms are in difficulty Debt is rising and reports of record numbers of liquidations have been made

It seems that we are in for an even tougher ride as the economy continues to decline and economists talk of depression and not recession

Investors should "tread" carefully in times like these I am often asked how I know when a firm is in trouble

I think corporate failure can be predicted with surprising accuracy

In the mid-1970s a colleague and I did some fairly basic research and found that one single ratio captures corporate vulnerability This is the ratio of cash flow to total debt.

Key

Cash flow represents annual funds from operations after tax, interest, any non-cash items and working capital Total debt includes all liabilities

The ratio captures several key relationships It reflects the ability of the company to repay its outstanding liabilities without additional external financing

For example, a company with a ratio of 0,25 would be able to repay all debt in four years Obviously, the ratio reflects a pessimistic view of the financial position because it includes current liabilities.

Our early research, which I expanded later with several studies, was concerned with the big "failures" of the time — Glen Anil, Van Achterberg, Lawsons and others

We were able to show that this single, yet powerful ratio, was able to predict failure with 90% accuracy one year before failure

Many would agree that an investor or banker needs an earlier signal Well, the ratio did pretty well even five years before actual failure The table shows the percentage of correctly classified firms over time

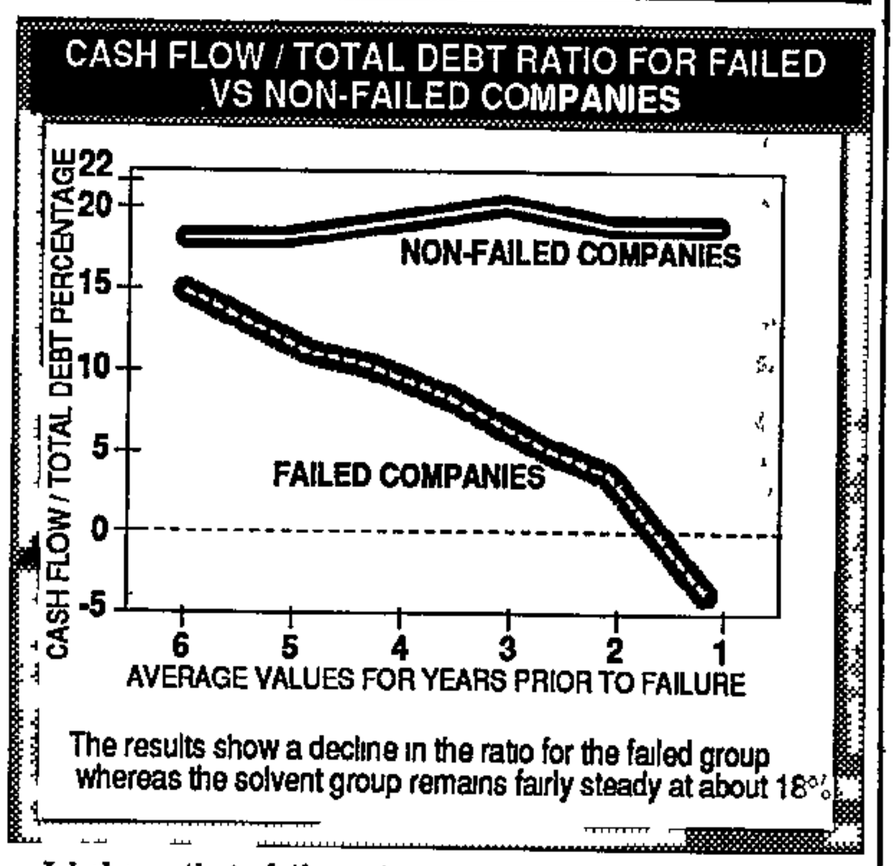
We wanted to test the ratio and found an interesting pattern of decline when the CF/TD ratio of the failed firms was compared with a sample of so-called "blue chips" The blue chips averaged a ratio of about 19% over the five years whereas the failed groups' average ratio was found to deteriorate from 11% five years before failure to negative one year before collapse The graph illustrates this trend

But this was in the 1970s and a long time ago So I decided to check the power of the ratio in the recent recession (or is it depression?) with assistance from my colleagues at Laird-Andrews

Guess what I found? The ratio still works Six out of eight "failed" firms examined violated the 10% cut-off that I think is a signal of possible distress while a sample of current "blue chips", including SA Breweries, Tiger Oats, Murray & Roberts and Malbak, showed an average of 20% on their CF/TD ratios

Exhibit 1: Percentage of correctly classified "failed" firms over time

Year Prior to failure	1	2	3	4	5
% Correctly classified	90	82	79	76	78



I believe that if the ratio falls below 10% the potential for failure increases significantly and the company should be monitored carefully

A recent case is an interesting example of the power of the ratio In the three years before Rusfurn's difficulties, the ratio was negative in each year -9,3%, -3,1% and -22,7% respectively

Early action to halt a deteriorating ratio is essential and management should probe carefully to establish the reasons for decline If the ratio is poor, three types of corrective action may help

- Rightsize the firm and improve the cash flow by showing growth and reducing low margin product lines that do not generate sufficient cash and absorb management time
- Focus on working capital management, concentrating on stock and debtors and reducing current debt
- Avoid all new gearing and improve the capital structure by reducing debt exposure

Of course, caution should be exercised No single ratio which is itself open to "creative" accounting is infallible To believe this is simply naive

Go back to the basics Cash flow has always been, and will always be critical — especially in times of recession Declining cash flows and rising debt will kill you every time Ignore cash flow and debt at your peril!

Professor Andy Andrews is director of the Graduate Institute of Management and Technology, which offers the Henley Executive MBA in South Africa and is co-founder of Laird-Andrews, strategic financial consultants

Job gets tougher and hours longer as market shrinks

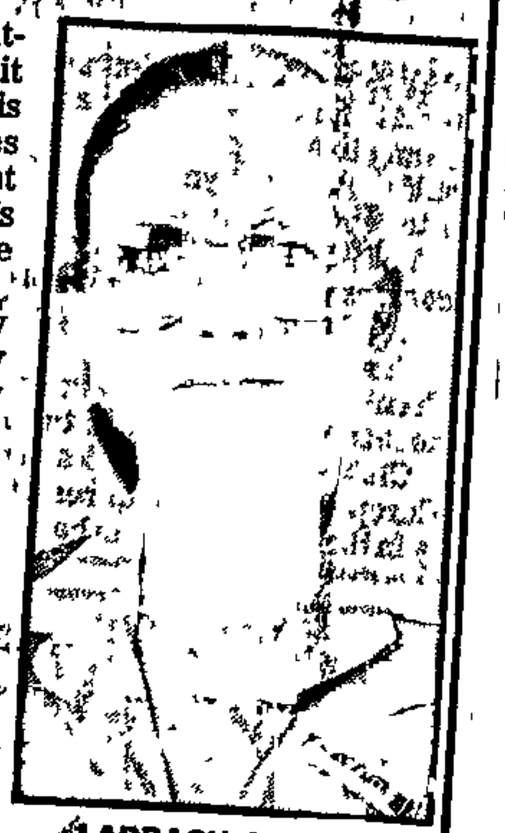
B/Day 7/9/92

THE business of recruitment consulting, while it can be highly rewarding, is fraught with challenges and tensions to the point where early retirement is more the rule than the exception

"At face value it may seem like a relatively easy way to make a lot of money — overheads are low, placements can be very lucrative and to most people the work itself seems easy," says a Sandton-based consultant.

"However, it is not all milk and honey. There is a lot of negotiating, there is an awful lot of hard and soft selling, and, at the end of the day, there is no end of the day — it is a 24-hour job."

"The fact is that you don't see many older recruitment consultants around — the job is just too stressful," says a Braamfontein-based consultant.



LADRAGH COZENS

Hectic

In the financial recruitment market in particular, the job can be hectic "Sometimes a client will give several agencies a brief to recruit a member of staff, with payment by results only. You're then in a race and you've got to try and get a candidate registered with that company under your name."

Says Cozens Personnel MD Ladragh Cozens, a relative "old timer" in the business. "At the end of the day, we are dealing with people, and with the tremendous skills shortage and depressed market and we are having trouble finding the right people for the right job"

And yet Cozens is considered one fo the survivors, having been around since 1976 — the SA "gold rush" of the recruitment industry "When we first came into the market I was placing upwards of 30 clients monthly Now it is down to about 10 to 12 for the really good consultants"

Temporary

Cozens' success rate is extremely high Her service is also across the board, although her main thrust is towards temporary staff "It certainly makes sense to use temporary staff — particularly when the company is under pressure"

"A very large part of our market is in supplying teams to handle one particular problem for a client," she says. "For instance, during the mass action one of our clients had a problem with getting his frozen chickens packaged So one of our teams went in and packed their chickens — no problems"

She stresses however that it is the agency's very strict policy not to supply workers in lieu of other workers "We will not ever cross picket lines."

4 top South Africans hold thumbs

(172)

By Stan Hlophe Star 7/9/92.

Professor Wimpie de Klerk will be the guest speaker at the prestigious Four Outstanding Young South Africans (Foysa) finals at a banquet in Johannesburg on Thursday

Political analyst Professor de Klerk will underline the importance of Foysa in the new South Africa

Organised by the Junior Chamber of Commerce, Foysa annually pays tribute to men and women on the brink of achievement and making an impact on the country as a whole

The event has become one of the most important on South Africa's social and business calendars.

Past winners include Raymond Ackerman (1965), Professor Phillip Tobias (1966), Dr Ali Bacher (1970), Steve Kekana (1984), Johnny Clegg (1990) and 22-year-old educationist Jabulani Mabaso (1991)

Tickets for Foysa '92 are available at R85 a head Contact Noedene Isaacs at (011) 224-2599 or Vanessa Courtenay at (011) 497-2264

Sowetan Business Conference

Sunday September 13 to Tuesday September 15

Women take the driver's seat

(172)

Sowetan 7/9/92

Dr Gail Mlokoti

Dr Sam Motsuenyane

Sowetan

FAIRER SEX Women have come a long way in the business environment:

"WOMEN IN BUSINESS" is a topic of increased significance as more women become active in the workplace

Dr Gail Mlokoti, communications manager at Eskom, will discuss the "leadership role of women in business"

"Women have come a long way, given the barriers facing the fairer sex in the business environment

"However, if we are to achieve our full potential, and we have the potential to achieve more, then the perception of women in the workplace and the attitude towards women must alter," Mlokoti said

Mrs Mokgadi Tlakula, a businesswoman and manager of the Elim Care Group, will talk about the transition of rural women into an economically active role

The group originally started as a health-based rural women's operation

However, with the current recession strangling the country, very little money was finding its way back to the rural areas and the focus of the group changed

Rural women were encouraged to become self-sufficient and embarked on income producing projects such as market gardening, sewing and building

"Initially, we battled to get our small businesses up and running and relied on fund raising and donations for set-up costs

"Today we have 8 000 members The business community must not forget that the bulk of black women live in the rural areas," Tlakula said

Other speakers include Mr Peter Wrighton of Premier Milling, Mr Jabu Mabuza, Mr Gaby Magomola, Professor Jakes Gerwel, Dr Sam Motsuenyane and Nafcoc chairman Mr Archie Nkonyeni

The conference will look at entrepreneurial development in the black areas

If you have not yet registered, do so without delay The conference is sponsored by the Development Bank of Southern Africa and organised by *Sowetan*

For more details phone (011) 678-2415

PEOPLE'S LIVES *Alexandra woman heads Afrikaner organisation ● Helping township kids*

Black woman is leader of Kontak

By Sizakele Kooma

■ GOODWILL MISSION: *Has reaped great dividends for cross cultural group:* Sowetan 8/9/92

EARLY in 1976, when a plan to reject the use of Afrikaans in schools was brewing, an incident in Alexandra stirred one woman into embracing the policies of an Afrikaner woman's organisation

Pauline Mkalipe was moved when women from Kontak rallied round the Save Alexandra Party and helped them lobby for the reprieve of the township

Today, 16 years later, she is national president of Kontak, the first black woman to be elected to the seat

"As far back as 1976 Kontak had insight into the situation in the country They saw the need to learn how people of other races lived and they established contact with them," Mkalipe said

"Their gesture towards the residents of Alexandra made me identify with their mission immediately

"In Kontak I saw an opportunity to go into areas that were previously unexplored I believe it would not have helped me much to stay in my own backyard with my own people "

This lovable bulk of a woman seems content with her choice of organisation Words of praise for it pour out of her mouth, not for the benefit of the interview but out of sincerity

From her cushy office at the Develoment Bank of Southern Africa, where she works as a people participation specialist, she says the experience of working with women across the colour line has helped her demystify the myth about the Afrikaner

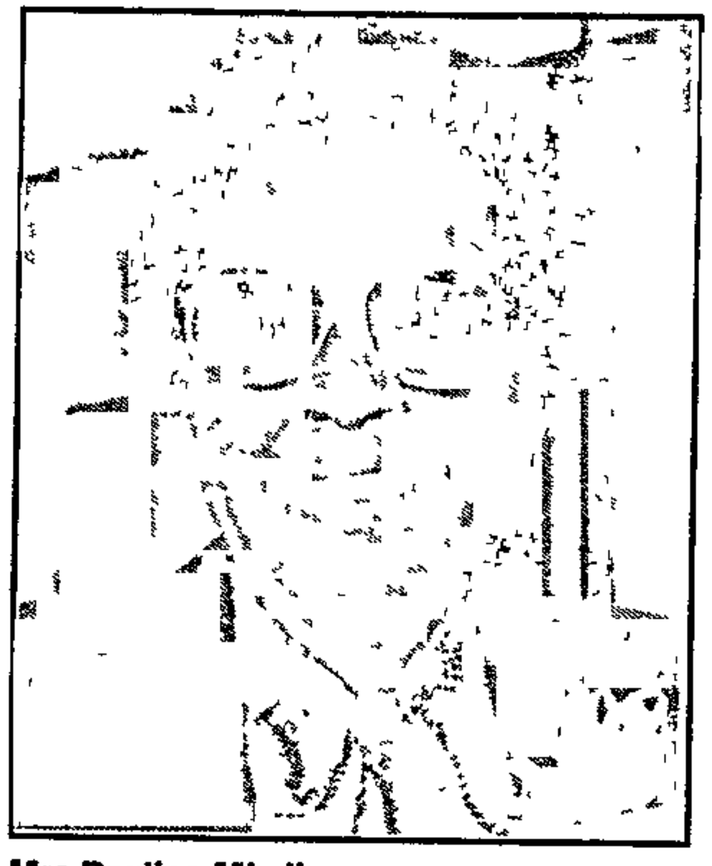
"I discovered that Afrikaner women are as human as everybody else and they have just as much goodwill "

She said the organisation's main aim, which was to improve relations among people of different cultures, had worked successfully with Kenmekaar, an interracial leadership training project for youth which the organisation launched in 1977 in conjuction with the Union of Jewish Women

With all the work the organisation has already done it would seem as if there is little left for this Alexandra mother of two, a son aged 24 and daughter of 21, to do during her term of office But not so

Her thrust will be on women's development and gender issues, she said

"Most women do not know their rights as human beings or even as partners in a marriage I hope to urge for widespread education on such issues and other related ones for our members in the branches "



Mrs Pauline Mkalipe

Her only challenge, she said, was to create a balance between her work and her community involvement

She serves on a committee for the mentally handicapped and a nursery school She also assists with the youth group of her church

Making Kontak

Kontak is a non-political movement which aims to improve relations among various groups in South Africa.

It is a national organisation with five regions and 30 branches

State funds 'insufficient to cover education costs'

B/Day 8/9/92

KATHRYN STRACHAN

THE state no longer had the financial capability to finance education in its present form, National Education Minister Piet Marais said yesterday

Speaking at the launch of the SA Institute for Distance Education, Marais said that even by introducing compulsory schooling for nine years — which might be possible provided there was positive economic growth and higher pupil teacher ratios — the needs of millions outside the formal education system, and those adults who had never attended school, would not be addressed

People had expectations that their living standards would increase, but, given the economic prospects, there was doubt as to whether such expectations could be met, he said

Marais said alternatives would have to be found, and initiatives such as the institute had a major role to play in promoting educational innovation in SA

The institute — funded by the European Commission through the Kagiso Trust — was established to promote and support distance education Trustees include representatives from the Development Bank, the ANC, Fort Hare University and the Peninsula Technikon

Marais said one of the most crucial facets in any education system was the establishment of a sound learning culture, but this problem could not be solved single-handedly The involvement of all role players was needed.

The present education system was based on the constitution, which meant political progress was a prerequisite for adopting a new education system "However, due to the seriousness of our present educational needs, we simply cannot afford to sit back and wait," he said

Lack of business ethics a worrying issue

B/Day 8/9/92

CHARLIE PRETZLIK

SA BUSINESS was losing its sense of ethics, Johannesburg Chamber of Commerce and Industry president Stuart Morris said yesterday.

"The lack of honest dealing in some business practices is becoming a matter of concern," he said Lax controls and questionable social morality had given rise to bribery, corruption and consumer abuses

"Obviously a business has the obligation to make a profit. The question is whether those profits should be made dishonestly" Morris called for prosecution of those found guilty of business malpractice (172)

Long-term investments would dry up because of decay, inefficiency, rising costs, reduced state revenue and higher taxation

Electronics for speeding up training and learning

B/DAY 11/9/92

SIGNIFICANT benefits are accruing from technology-based training (TBT), and this form of training and education has a special role to play in developing human resources in SA.

At this week's Institute of Personnel Management/TBT special interest group conference organised by Strategic Business Services, visiting US TBT specialist Gloria Gery of Gery & Associates said computers were being used to accelerate learning and job performance.

Research showed that up to 75% of medium-sized and large US companies were using TBT in some way, with training on software application packages being the major use.

"Companies are seeing the time taken to learn reduced by 30% to 50%, and knowledge retention improves by about 25%," she said.

Organisations like IBM, Bell and Allstate are using interpersonal simulators comprising video cameras, microphones and computers to train staff.

"Users respond to various questions, choose answers, and do role playing which is recorded by the system so it can be analysed by the student."

Gery said an emerging trend was towards electronic performance support systems (EPSS) which integrated information from sources such as manuals or training programmes.

Many don't know what they're doing — Naidoo

ARG 12/9/92

(172)

Managers slated

PAMPERED managers who think they have a right to business lunches, golf games and weekends at the game farm are a block to productivity growth in South Africa, says Cosatu general secretary Jay Naidoo.

Management's contribution is often ignored in discussions on productivity, he says in the latest issue of the National Productivity Institute's review Productivity

"It sounds crude, but it's a fact that many managers — from the top echelons to supervisory level — don't know what they are doing They've always worked in a management culture which regards labour as a cost factor — not a resource, which does not question any instruction from above because it will rock the boat — and which is threatened by initiatives from below

"In addition, South African management is so pampered it actually believes that the business lunches, the business golf games, the business weekends at the game farm and all those other 'extras' are some kind of right

"If this is so, then it's a right everyone must agree upon, and everyone must share And of course that is not possible — so it shouldn't be possible for management"

Interviewed by Dirk Hartford, Mr Naidoo says management is about leading and motivating people — not just instructing them

Workers, he says, will support management only if they are fully involved with management decisions and benefit from them He thinks workers should have a say in managerial appointments and should have the right to put their managers through disciplinary inquiries

"While there might be a knee-jerk reaction to the employers' perception of productivity — which unionists associate with working longer and harder for less pay — it is nonsense that unions are against productivity," says Mr Naidoo

■ Workers will support management only if they are fully involved with management decisions and benefit from them, says a leading trade unionist.

Business Staff

"Productivity is the basis of all social development Without increasing productivity growth, our economy will be unable to improve and upgrade itself This we accept"

But, he says, it is not possible to negotiate productivity improvements while the country is locked in a political crisis

"The political log-jam in negotiations is retarding development in every other sphere of society None of the forums that have been established — like the housing, economic and education forums, for example — have made any progress because of the government's obsession with being both player and referee

"The sooner we have a democratically elected constituent assembly, the sooner we can devote our energies to our fundamental problems — like improving productivity

"It's impossible to talk about productivity meaningfully when our society is paralysed by the division between democrats and those who insist on special rights for themselves"

Future restructuring of the economy must involve unions, government and business, he says "If we are not able to participate in all of the decisions affecting us — including productivity — we don't believe the economy will be turned round"

One of the key issues to be tackled is education and training, he says

"There is not a country in the world with low levels of literacy, education and training which has achieved high levels of productivity"

"Many employers seem to believe that hard work and super-exploitative wages is what is required to boost productivity This couldn't be further from the truth

"The work forces of many of the most productive countries in the world earn relatively high wages The Scandinavian, Japanese, German and Singaporean working classes are just some examples

"Even if starvation wages were one key to productivity growth, such growth would not last for very long

"That is why the 'boom' in SA in the '60s and the '70s collapsed and why it is catching up in some of the south-east Asian countries as well One needs to strive for sustained productivity growth — not just for a flash in the pan performance"

More professionals join jobless ranks

B/DAY 16/9/92

GAVIN DU VENAGE

PROFESSIONALS were joining the ranks of the unemployed in a steady flow, and were having difficulty in finding jobs in a shrinking market, economists said yesterday

Sacob economist Keith Lockwood said although there appeared to be a glut of professionals looking for jobs, this was an indication of the depth of the recession rather than an excess of skilled people

"It is important we do not lose these people as we can very quickly develop a shortfall, which could constrain economic growth," he said

He was concerned that highly skilled management and technical staff could be forced to emigrate because they could not find work or the type of jobs and pay commensurate with their qualifications

Professionals were better equipped to deal with unemployment, as they understood the structure of business, and also had access to finance, enabling them to start their own enterprises, he said

Small Business Development Corporation (SBDC) assistant GM Dawie Craus said a constant flow of applicants had been received, including many from "really capable people" with skills ranging from computers to banking

Although the SBDC was granting loans at a rate of R20m a month, the quality of applicants could justify the doubling of this figure if the funds were available

"There should be more financial support," he said, adding the country could only hope to grow economically if it cultivated entrepreneurial abilities like those being made available "The sad part is we have to turn so many viable business propositions away for lack of funds," he said.

Professional Assignment Group MD Penny Ferrow said a "steady stream of people" had been trickling into the job market since last year

Demand for skilled people still existed, but clients were extremely particular in what they were looking for Twice the number of candidates applied for any vacant post than a year ago

A significant development was the temporary placement of people with experience in large corporations, in smaller businesses on a rotational basis.

Ferrow said retrenched, highly qualified personnel such as financial directors would work on an assignment basis for two or three small to medium businesses each month; providing the level of direction not usually available outside major industry players.

This system was common overseas during recessions

However, professional "headhunter" Chris van Tonder, of Consilium, said despite the usually negative aspects of widespread corporate contraction, in present circumstances, they were "overdue"

"Many companies have grown thick around the middle, and are now shedding the most unproductive, least qualified and inexperienced personnel," he said

Companies were becoming more discerning in the type of people they hired, and were shedding "deadwood" accumulated over the years

The most unfortunate aspect of this process was the effect on graduates with minimal experience, and many would have to wait until the economy turned before finding jobs in their fields, Van Tonder said

Mutual funds for women rile critics

B/DAY 17/9/92

(172)

CHARLES FLEMING in Paris

TWO FINANCIAL firms in Europe are selling mutual funds aimed specifically at women, and at least one more is on the drawing board

The proponents of such funds say women need to be encouraged to manage their money better and that women money managers have a different, more intuitive relationship with money than men

But critics — not the least, other women — angrily dismiss the concept of women's funds as "cotton candy" or "soap bar" merchandising, cynically packaged to exploit women as consumers

Europe's first women's fund was set up late last year by Marion Weichert, a German financial adviser and insurance broker, together with asset management firm Universal Investment

But playing into the hands of the more nasty critics, Weichert gave her fund a French name, Fonds pour Femmes (meaning fund for women), thus rendering it more evocative of Parisian perfumes and fashion than of a plain old bond fund

Weichert says it was to get around German bureaucracy and its rules against explicit sexual discrimination that she picked a French name However, the name Fonds pour Femmes is exactly the sort of condescending marketing tactic that riles other women in finance.

Fiona Price, MD of her own all-woman firm of financial advisers in London, Fiona Price & Partners, condemns such investment products as being pretty and sweet but with no real substance, rather like cotton candy "Products that are branded 'for women only' are not healthy," she says firmly.

Instead, she says, she plans to set up a fund early next year whose investment targets, rather than the packaging, will appeal specifically to women

In Paris, Miren Bergis, who helped set up a women's financial advisory service earlier this year alongside independent French asset manager Catherine Wajsman, also rails against investment products that treat women as mere consumers

In fact, besides its name, there is little that is feminine about Fonds pour Femmes Its modest DM1,2m under management is invested in German and Dutch bonds, and marketed by Universal Investment through various Hamburg-based private banks

Weichert defends her choice of name as being aimed at raising German women's awareness of financial matters, and says it is intended to show there can be more to a woman's investment strategy than a low-yielding savings bank account

Following Weichert's lead, six women asset managers in Europe and the US are teaming up to launch their own investment product, Women's Asset Management Fund Ltd (WAM) According to its promotional literature, the fund has set itself some ambitious goals.

Not only is it out to change the balance of economic power between men and women, it will also make money for investors — not the least of which will be US public pension funds that are required to invest a portion of their assets with minority-managed companies

The fund's management group says the team of six women investment advisers, of whom the best known is Shearson Lehman Brothers' star strategist Elaine Garzarelli, will invest in the full gamut of equities, fixed-income and money-market instruments worldwide.

At the same time, it predicts, the fund "will help spur the growth of additional assets under management by women decision makers around the world".

The original idea behind WAM, says one of the fund's two European investment advisers, Mayri Voute of Paris-based Capital Management International, was to invest in companies owned and run by women

But that idea was quickly pushed aside, she explains, because in Europe alone, with the notable exceptions of companies such as Britain's Body Shop plc and French yacht-maker Beneteau, there would be a pitifully small selection of investment targets

Instead, the fund's managers say they will set aside 10% of their annual profits to plough into organisations that promote businesses owned by women However, by giving free rein to the fund's six women investment advisers, Voute suggests the real advantage for investors will lie in the more intuitive approach adopted by women fund managers

"Women function more on gut feeling," Voute explains, before asserting confidently "No men work on feeling" — AP-DJ

Computers tackle the candidate

B/DAY 7/9/92

WITH employee productivity an essential component in the success of most companies, pinpointing potential employee's software-skill levels quickly and accurately is vital.

This is the view of Drake International's Delia McCabe, who believes that a key ingredient of effective staff selection is skills testing "If companies could tell in advance if a potential candidate was proficient in the particular software it uses, many non-productive hours spent in on-the-job training would be saved

" Costly specialised training could be obviated and more employees would hit the ground running when it comes to integrating with the organisation's procedures and systems," says McCabe.

DELIA MCCABE

Traditional software skills assessments relied heavily on personal judgement and subjective evaluations "Today companies are turning to more sophisticated computer technology to tackle the problem."

"At Drake we have introduced the Kryterion Skills Certification Program designed to identify a candidate's level of competency in a range of popular software, word processing, database and spreadsheet packages

"In the past, companies hiring typists would demand a demonstration of the applicant's skills, speed and accuracy before she was hired. It follows that the only way to judge computer proficiency is through practical demonstration — a skills test Otherwise how can a company be sure the candidate will perform at the level required?"

172 **Matched**

McCabe says using the certification programme promotes effective staff selection where the person is matched to the right job, and provides a solid base for performance reviews or promotion assessment

"There are distinct advantages for staff It facilitates greater use of current skills and is an opportunity for improvement and advancement," she says

The computer skills assessment programme should not be the sole basis for selection "However, without systems like these, the hiring process would revert back to being one of 'trial and error'," she says.

Black women must curb township wars

Sowetan 18/9/92

By Joshua Raboroko

MOST VULNERABLE *Violence threatens survival of their businesses:*

(172)

BLACK WOMEN HAD to play a part in stopping the violence which threatened the survival of their businesses, Institutional Programme Manager of the Development Bank of Southern Africa Mrs Salu Dakie Hlongwane said this week

Speaking on "Women in Business" during the three-day *Sowetan* and Development Bank of Southern Africa Business Entrepreneurial Development Conference at the Eskom Training College, Hlongwane said black businesswomen were the most vulnerable in a climate of violence

She urged the Government to remove all discriminatory regulations and practices that hindered businesses run by black women to enable them to make a contribution to the South African economy

She said development finance institutions need to reorientate their support programme strategies to relate directly to enterprises managed by black women

Management training

"These institutions and big male-dominated businesses should adopt women in their networking structures to assist them in developing entrepreneurial skills and management training," she said

Black women were no longer seeking jobs in areas traditionally viewed as women-oriented but were moving into all areas About 70 percent of small businesses were owned and managed by blackwomen, she said, adding "They are now climbing the ladder in the corporate world and making a significant impact."

Women became entrepreneurs because of economic necessity, challenges of having to combine family life with careers and the urge to develop themselves, she said

Intra-organisational manager of Eskom Dr Gail Mlokoti said black women achieved success outside the parameters of the corporate world in South Africa

"Even though we have seen how women were relegated to the peripheries of Codesa, they have been successful in business and other spheres," she said

"The struggle of women for recognition has just begun We have to redefine our roles so never again will we languish in the shadow of the menfolk as far as our liberation, inclusive of business, politics, engineering, health and art," she said

Businesswoman Mrs Mokgadi Tlakula, who also works on several projects in the Northern Transvaal, said more than 8 000 rural women had proved themselves to be "the greatest entrepreneurs in the area"

They were involved in a variety of businesses - selling vegetables, clothing, clay pots and cane furniture They were also involved in the manufacture of products like candles, bricks - even building homes

Their gripes were the lack of capital, self-confidence, infrastructure, and training and education

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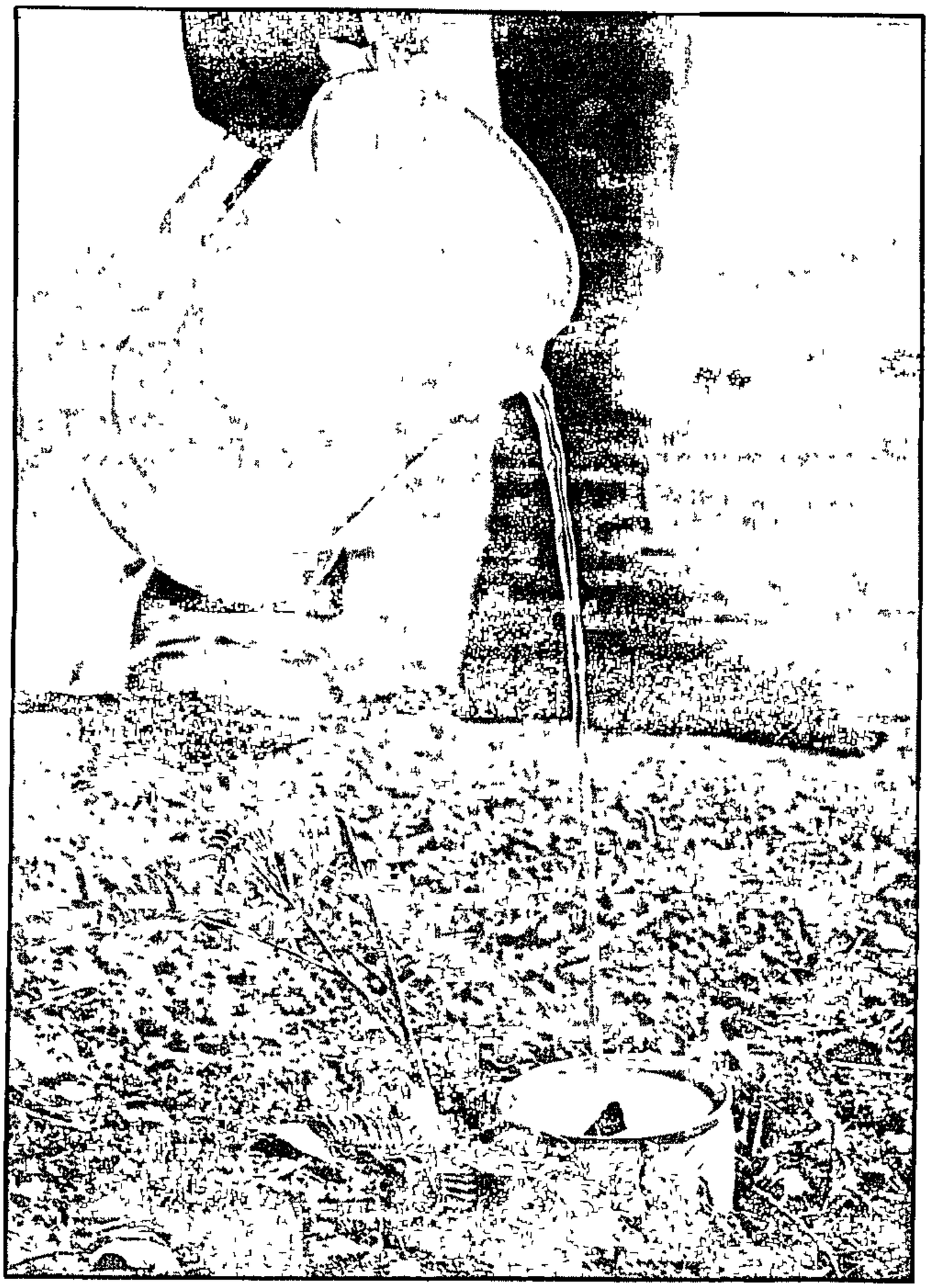

□ **EACH DROP COUNTS** In drought-stricken Kangwane, to gain the most from every drop, water is poured into a can planted with this sapling The can has small holes in its bottom which release the water directly to where it is most needed — the roots — over a few days The tree, a leucaena planted in a rural garden whose owner is learning new conservation techniques through the IDT-supported EcoLink project, will grow to maturity in two years, providing firewood and fodder from its leaves, and will regrow rapidly

The work must go on

(172)

W/Mail 18/9-24/9/92.

DESPITE violence, recession and drought, the IDT's assault on poverty has secured strong gains in the past 12 months, but the Trust is extending its mandate and will continue its work for as long as there is work to be done

In his second annual review of the IDT's activities, chairman Jan Steyn says that although the Trust whose original mandate was for three years has begun to impact on scale, it is impossible for a short term intervening agency — however credible or imbued with goodwill — to wage war on poverty successfully

Development, says Steyn requires longer term strategies and sustained involvement The IDT has accordingly developed plans to ensure that it can play this role together with its partners

These plans involve using the funds at its disposal to unlock additional funding from other sources the private sector and the state in particular, and tapping into the aid and development budgets of major foreign governments and international development agencies

By the end of its second year of operations, the IDT has allocated funds to about 350 projects nationwide in education, housing, health, community development, and job creation

The amount allocated has already outstripped by almost R100 million, the taxpayers original grant of R2 billion in 1990 Of this about R700 million has already been disbursed to projects — a sum equivalent to that earned by the IDT in the money markets where interest on its funds has accrued at an average rate of 18 percent per annum

But the IDT cannot get by on interest payments alone Steyn expects that the funds now at its disposal will have been spent on its present commitments within three to five years

And as communications director Jolyon Nuttall points out R2 billion although a uniquely large sum for development funding in South Africa s history, will not be nearly sufficient to make a permanent impact on the poverty cycle

Meanwhile says Nuttall, the work of the IDT and its partners in the field has led to the emergence of important new and replicable models for development — 'creating, in a short space of time a treasure house of collective IDT experience and expertise

Nevertheless, substantial new funding will have to be found, says Nuttall, to ensure that these models can be replicated on a scale large enough to make a

■ Turn to page 2

INDEPENDENT DEVELOPMENT TRUST

Written and edited by PAUL BELL. Photographs by DAVID GOLDBLATT Reports by MICHAEL CHESTER, GEORGINA HAMILTON, PHIL MOLEFE, JOLYON NUTTALL, REG RUMNEY, and LINDA VERGNANI. Design, headlines and sub-editing by CAROL GEY VAN PITTIUS.

P.T.O.

Why the IDT'S special role must be preserved

W/Mail 18/9-24/9/92 (172)

ONLY a few years ago the word "development" was scarcely a part of South Africa's political vocabulary, it even had apartheid connotations Now it is regarded as essential to our transition to democracy, writes **JOLYON NUTTALL**, communications director of the IDT

Development is not just about economic growth It's about people building the capacity to mobilise resources and improve their quality of life on a long-term basis

Governments, because of their resources, have a pivotal role to play in funding development but their programmes often fall short of the target Experts agree that while the state must set the framework for development, it is civil society that must drive the process That this is recognised in South Africa is borne out by the major role NGOs play here

The IDT's establishment in 1990 was part of a bold series of initiatives to do things differently in South Africa after 42 years of apartheid In the process, it was hoped that development — with the emphasis on redressing historical imbalances — would gain some much-needed legitimacy Two years later the IDT has shown itself to have an ongoing role to play in this country's transition

The trustees focused on housing, education, health, and rural and community development — where enormous backlogs had accumulated mainly because the government had fallen behind in the provision of basic essential services Job creation was added subsequently

In education, for example, the shortage of classrooms, based on free compulsory education for eight years, was put at 50 000 To reduce this backlog, the IDT earmarked R300-million for a national school-building programme

The government's former policy on housing and residential rights for black people led to a shortage of about 1,2 million housing units. So more than a third of the founding capital, R750-million, was allocated to a capital subsidy scheme to provide 100 000 serviced sites for breadwinners earning less than R1 000 a month

Primary health care, including the provision of clean drinking water and adequate sanitation, is very inadequate, and major funding has been directed to redress this

Community involvement was made mandatory for support to any project, and the IDT has used its funds wherever possible to strengthen the work of existing NGOs

Two years later, the benefits are emerging The consultative process is establishing development models in all IDT spheres of action — models that can be widely replicated in the knowledge that they really work

Today many visitors to the IDT, including those from overseas, want to embark on projects to assist the poor Our standard response is "Come and join us" Experience has shown that better results flow from partnerships than from going it alone

IDT chairman Jan Steyn has compiled guidelines for institutions and agencies searching for developmental partnerships He says

- Concentrate funding in a fairly small number of focus areas,
- Become knowledgeable of all other actors in your chosen fields and involve yourself with them,
- Respect the wishes of people to wrestle with their own problems, and regard your role as supportive and interactive, and
- Argue for the widest possible participation by groups in all the projects in which you are investing

In but a short time, the IDT has built up a considerable head of steam in stimulating, with others, new approaches to development Abroad, a watching world is aware of our needs, and international agencies have the capacity, the experience and the will to assist

But the challenge is primarily South Africa's Further substantial funding must be found in order to ensure that the models that have been honed can be replicated on a scale sufficiently large to impact meaningfully on the plight of the poor

IDT

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Ignorance 'could lead to technology crisis'

(172)

CHARLIE PRETZLIK

SA MANAGERS are technologically illiterate and they are dragging the country into a technology crisis, warns leading intellectual property lawyer Lawrence Reyburn. SA spent more than R300m on importing ideas in 1990 — up from R50m in 1975 — while the income generated by the sale of SA ideas abroad had remained at about R10m since 1975, Reserve Bank statistics show.

B/Day 21/9/92.

The figures indicate that there is a rapidly growing royalties, copyrights and patents deficit.

"We are not in the mainstream of the fast-moving high-tech world and we are falling behind in the level of our technological development," Reyburn said.

Unless SA can extricate itself from this rut it risks slipping back into third rate status without even the revenue to buy high-tech products from more advanced countries, he said.

Reyburn criticed managers for not being receptive enough to technological developments and not seeing the problems that ensued from this.

CSIR president Brian Clark said that "in technological terms we are a developing country".

SA invested only 0,6% of its GDP in research and development compared with between 2% and 3% for most developing countries, he said.

Wits lecturer Ania Grobicki pointed out, however, that on the international league table of patents SA ranked seventh, placing the country ahead of Korea, Sweden and Switzerland.

"The problem is not inventing things; it is commercialising what we have invented," she says.

Alleviating plight of casualties of recession

STAR 22/9/92

By Stephen Cranston

More and more companies are restructuring, merging or offloading in South Africa's deepest economic recession for decades.

In their wake they are leaving increasing numbers of redundancies of highly skilled management and technical staff to find new jobs and carve out careers in a shrinking market.

But it's not only the recession that's to blame, says Barrie Jack, a director of outplacement consultants Career Transition International.

"The phenomenon is also part of a fundamental change in the way in which organisations are in general being restructured," he says

"In addition, many organisations are shedding their peripheral activities and embarking on a route back to core business.

"As companies slim down, many take the opportunity to contract out functions previously managed in-house, resulting in better cost controls as services are only used when necessary."

Mr Jack forecasts that the trend will gather pace, even when the recession is past.

"More and more organisations will have fewer layers of management, together with less in-house support functions," he says.

"Merger and acquisition activity in the post-recessionary era will also result in retrenchment and redundancies as merged organisations slim down to maximise structural and cost savings made possible by their coming together."

Mr Jack says Career Transition International is working with a number of major organisations in South Africa and abroad on counselling casualties of the recession.

"Outplacement is not placement; it involves coaching those being released to rebuild their dignity and self-worth, together with training them in skills needed to start them in new careers."

It includes the coaching of managers charged with the stressful responsibility of handling the termination interviews so as to ensure the least amount of damage to both those being asked to leave, and those who survive.

Executive career development, together with rebuilding and revitalising organisations after significant restructuring, is a difficult process to manage

Research has shown that the morale of the survivors of any restructuring is usually very low, as a result of lack of confidence both in themselves and the company

Trust and open communication are among the first casualties of a retrenchment programme when key people among the survivors seek to relocate themselves away from what they perceive to be a threatening environment, says Mr Jack.

Bosses embrace 'empowerment'

B/ORY 23/9/92

AT FIRST sight, the proposition looks paradoxical, even dangerously absurd that, at the very time when the survival of countless companies is threatened by the worst recession since the 1930s, top executives should be decentralising authority and "empowering" their employees

In difficult times in the past, and especially during recessions, most executives have done precisely the opposite They have slashed spending by reinforcing their own power and that of the centre, taking back some of the authority which in better times they had delegated down the organisation

Yet, in one form or another, "empowerment" is what consultants and business academics persist in advising companies to introduce

Some managements are frightened by the idea, they think it will reduce their authority and render decision-making slow or risky But in the US, companies like PepsiCo, Xerox, General Electric and Ford have embraced "empowerment" or the very similar principles of "high involvement".

In Europe, new practitioners range from BhS, the British retailing group, to Switzerland's Ciba-Geigy. A few years ago Ciba-Geigy began using the term "directed autonomy", which management found less threatening But now it frequently feels obliged to use it to convey what it says is a more far-reaching process and set of attitudes, in which management's role is not just to provide direction, but also autonomy and support

Empowerment may be a ghastly word, but interest in the concept in Europe, particularly the UK, is soaring

This is demonstrated by a recent surge in consultancy work on and around the subject A number of consultancies have suffered sliding revenues since the start of the recession But at Kinsley Lord, a specialist firm which sees empowerment as a centrepiece of its work on organisational change, business has boomed and revenue has shot up by a third

Gemini is a much larger consultancy which specialises in both strategic and organisational change but to which empowerment is equally central Its revenues also grew by a third last year "Harnessing the drive, ingenuity and power of people is central to what we do," says Gemini European senior vice-president for marketing Peter Beilby

The trend towards greater decentralisation, involvement and authority in many companies — though not always to a degree which merits the grand term "empowerment" — is confirmed by two accountancy-based consultancies KPMG partner David Bishop says that in the UK the recession is causing centralisation only in companies which are in extremis

Coopers and Lybrand Commerce and Industry consulting head Vic Luck agrees that some companies are pulling financial authorisation back to the centre and that a second, small group is "taking a step backwards" by cutting total quality programmes because they are not giving immediate results But a third group of companies is continuing with decentralisation, he says At the same time, they are cutting expenditure, frequently by giving staff their head in cost reduction programmes

An example of this was within British Airways. Alongside a total quality programme introduced with the help of outside consultants, management's targets for expenditure cuts were exceeded when maintenance staff were let loose on the problem — they produced savings of £24m against the target of £8 5m

BA chief engineer John Perkins says. "I don't mind admitting I was a Rambo-style manager — I have changed my own style because I have seen that it is just not the most successful way"

His approach contrasts markedly with standard airline management Most airline campaigns to create greater "customer care" tend to empower employees less than they programme them to act in a particular way.

That is the approach practised by US airlines such as Delta and American But it is also why passengers tend to be cynical about staff retraining programmes which provide a superficial gloss of empowerment, yet which do not allow them even to provide the occasional hungry passenger with a second bag of peanuts.

This is just the very trite tip of an iceberg of confusion, anxiety and, for some people, excitement which surrounds the concept of empowerment — Financial Times

focus on Africa

Sowetan 23/9/92.

Private enterprise has only received lip service in Africa, says **Joshua Raboroko**, who reports on the *Sowetan*/Development Bank SA summit on business and enterpreneurial development in Africa:

PRIVATE enterprise has long been recognised as a key factor in the development process in Africa

Owners of capital innovate and assume risks. They employ hundreds of people and manage large labour forces They open up markets.

They find new combinations of materials and products They initiate change and facilitate adjustment in dynamic economies

Yet, private business ownership has been played down in many African countries over the past 30 years In part this has occured because indigenous entrepreneurs were presumed to be scarce and foreign businesses were distrusted

During his visit to South Africa Harare-based manager of Africa Project Development Facility (APDF) World Bank Mr Omari Issa put it aptly "We have demonstrated that African entrepreneurs are plentiful "

Earlier, the belief was that African men/women were confined to the informal sector In a short period of time, APDF has confirmed the existence of small and medium-sized businesses that are owned by Africans

Sowetan and Development Bank of Southern Africa last week presented a three-day summit that focused on Business and Entrepreneurial Development in Africa

Participants were African entrepreneurs, Commercial and Development Finance Bankers, International Finance and Development Agencies, Representatives of the APDF, liberation movements and chambers of commerce

The conference focused on how indigenous African entrepreneurs could work together and promote/cultivate the spirit of competitive business on the continent.

APDF general manager Mr Alexander Keyserlingk said as soon as a political settlement was reached in South Africa "we will enter with the aim to help business people"

After his visit to some of Soweto's entrepreneurs, he said there was a great potential for business to create jobs and wealth

"This shows that Africans are genuine entrepreneurs The success of many businesses depends directly upon a climate supportive of vigorous small businesses

"APDF, by assisting African entrepreneurs in taking advantage of new opportunities, contributes substantially to the creation of that nurturing business environment and the new jobs that are an important consequence "

The conference outlined the problems encountered by African entrepreneurs in obtaining debt and equity financing

This problem was appropriately put by SBDC general manager Mr Jo Schwenke when he said "In South Africa we have a dilemma that many businesses cannot be viable with high gearing while those same businesses would do moderately well if financed with equity

Mike Mohohlo and Frans van Rensburg of the Development Bank meet Sowetan Day Editor Thami Mazwai. The three organised the three day conference.

To solve this problem, he said, it was proposed that the Government each year for five years grant R2 billion, which would be invested into properly constituted development venture capital funds

The role and importance of promoting more African women entrepreneurs were highlighted by women who have a long tradition of commercial activity in the African private sector

Businesswoman Mrs Mokgadi Tlakula said women grew more than half the food produced in the world, yet governments and aid programmes tended to exploit their labour without supporting it, maintaining it, or enhancing it

She said black women could not hold title to land, married women were not legally capable of entering contracts without the consent of their husbands

For example, she said, rural black women in the Northern Transvaal have carved a niche in making candles, making clothes, producing food, making sweets, vaseline, bricks, building latrines and houses, baking cakes, bread, selling liqour and achaar

Eventually, she added, they would capture some of the business and make it their own, the only thing was that competition was unfair

She urged the Government and industrialists to consider giving contracts to women

The conference felt a massive affirmative action must be embarked upon by the corporate world business

Premier Group chief executive Mr Peter Wrighton said many companies had affirmative action on their agenda

Dignity and earning a living, twin pillars of development

W/M ail 18/9 - 24/9/92 (172)

HUMAN dignity and the power to earn a living — these are the twin pillars of development, says Professor Wiseman Nkuhlu, newly appointed executive vice-chairman of the IDT.

For him, therefore, the two most important tasks on which development should concentrate are: community access to essential services, for example clean water, sanitation and primary health care — these, he says, are "essential to human dignity and development;" and enabling poor people to engage in income-generating activities.

His job includes supervising the two IDT directorates whose activities are focused on those tasks, namely Health, Rural and Community Development, headed by Professor Len Karlsson, and Job Creation under Professor Len Konar.

Wiseman Lumkile Nkuhlu, 48, was born in Cala, Transkei. In the 1960s, as a 19-year-old matric student at Alice, he was arrested for membership of a banned organisation and jailed for two years.

After his release he worked at the Loraine Gold Mine in the Free State. His superiors realised he was an intelligent young man and wished to promote him to the position of clerk in the kitchen stores But Wiseman was black, and the designation "clerk" was reserved for whites. They called him, instead, "mabalana" — "one who can write". It was prophetic.

Nkuhlu completed his matric at Loraine, studying in secret at a table hidden behind the stores' huge sacks of maize meal, so as not to alert bosses and co-workers who might suspect him of "being too big for his boots"

He saved R300, enough to enrol as a commerce student at Fort Hare in 1967. Thereafter, top results earned him bursaries that funded the rest of his studies.

His first love was economics When he discovered no black person had ever qualified as a chartered accountant, he decided this was what he should do He achieved this goal in 1976 and went on to establish his own successful accounting practice in Umtata, as well as a department of accounting at the University of Transkei He was appointed rector of Unitra in 1987

During this period he focused increasingly on economic policy and strategy for developing countries, and on developing initiatives to promote black economic activity.

Today he counts among his many commitments posts as deputy chairman of the Development Bank of Southern Africa, and president of the Black Management Forum — both accepted this year. Clearly, Nkuhlu could have chosen among several top jobs and the IDT considers itself lucky to have him.

For Nkuhlu, however, the IDT has the advantage of being a small organisation where, he says, he can "do strategic planning at the most sophisticated level and yet be in touch with communities" in implementing policy at ground level.

pillars of development

W/M ail 18/9 - 24/9/92 (339) (172)

"More important, the IDT has the kind of resources and approach to development that is compatible with my own philosophy — its focus on non-government organisations, communities and empowerment. It deliberately emphasises institution capacity-building — through support for community participation and the empowerment of organisations directed by members of the disadvantaged sector."

Development, says Nkuhlu, "is a process that gives disadvantaged people better control over their lives. It must also unite people, this gives it a better chance of sustainability. We have done this successfully, with the ANC, the PAC, the IFP and other groups joining in community trusts to take responsibility for developing local initiatives."

Development initiatives such as the IDT's are often beset by the tension between speedily delivering "products" — schools, homes, jobs, facilities — and allowing time for proper, sometimes arduous, consultation with the communities involved

Nkuhlu believes the IDT has demonstrated its commitment to proper consultative processes — especially in housing and education where it has spent considerable sums of money simply on bringing players together to discuss issues and formulate strategies.

Nkuhlu is a leading adviser to several major economic research groups but remains politically non-aligned, believing party-political involvement would only encumber his development work.

But it is also his experience that politics and government, while important in support of development, have their limitations when it comes to getting the job done. He has written. "It is high time political leaders and intellectuals accept that they know very little about what motivates individual communities to initiate and sustain a process of socio-economic development..

"The simple truth is that it is the individual and individual communities which cause development, not governments"

Supervisor skills

Sowetan 24/9/92 (172)

■ Learning improves company performance and growth:

By Ike Motsapi

SUPERVISORS are traditionally the most under utilised resource in local industry, according to Mr Clive Acton, managing director of Clive Acton Associates

Acton said this at the historic awards ceremony of the first 46 graduates of the Supervisory Development Programme held at the Wanderers Club last week

The SDP is a joint training venture between the Steel and Engineering Industries Federation of South Africa, trade unions and the CAA

The year-long training programme is aimed at supervisors, charge-hands and foremen and comprises a series of workshops, projects and assignments

These are all work-related and focus on teaching supervisor skills

Confidence — key to success

C/Press 27/9/92 (172)

By MONWABISI NOMADOLO

WHEN Joe Seoloane was a Mamelodi lad earning peanuts as a caddy and garden boy, he knew the big time was waiting for him, and he was right.

So, when he was 33, it came as no surprise when he was appointed branch manager of Woolworths in Springs and became the first black member of the Springs Chamber of Commerce executive committee.

Joe started preparing early, and worked on developing a positive attitude to life. Success in doing this, he knew, was the key to making his dreams a reality.

But Joe does not take all the credit for himself.

"My father," he says, "has always inspired me, and I have great respect for him. He didn't have a lot of money, but he managed to give all his children the best possible education – a lifetime heritage for all of us.

"Even when I was a kid, he treated me as an adult and taught me to respect all people, no matter who they were and what colour they were

"We all know that there is an imbalance between black and white managers, but I have no intention of becoming a token black. I know I have the skills to do the job properly, and I have prepared for a long time to take all the responsibility that comes my way.

"The interests of business and the economy come first – things do not happen by accident – it takes hard work and planning."

MAKING IT . . . Business executive Joe Seolane.

A Turfloop Bachelor of Commerce graduate, Seoloane matriculated in 1979 at Mamelodi High School. In 1983 he joined Unilever as a trainee cost accountant.

He was transferred to Boksburg in 1987 as a cost accountant, and in 1990 joined Woolworths Jeppe branch as a trainee manager. Since then he has served the company as a textile manager in Alberton and a store manager in Witbank.

Now he is on the board of trustees of the Daveyton-based Education Enrichment Project.

For the past two years Seoloane has been the national president of the Men's Fellowship in his church – the International Assemblies of God.

He married in 1986, and he and his wife have two young children.

Meeting the human resources challenge

STAR 29/9/92

***Keeping afloat** is a big enough challenge in today's economic climate, but De Villiers and Associates is a human resources group that has structured itself to take full advantage of the changing corporate world.*

(192)

The Personnel Industry is faced with a recession, retrenchments, a growing unskilled market, a highly skilled unemployed market and clients who are consolidating and re-thinking their human resource budgets

Popular media reports leave the impression that the job market is extremely tight and there is a widely held view that corporate SA has adopted a philosophy of cutting costs among highly paid employees where they have the greatest immediate impact on the bottom line

The climate generated by these influences has produced a flood of highly trained and skilled individuals on to the job market. This highly fluid scenario presents unique challenges in the human resources sector

One human resources group that has proved it is flexible and has the depth of resources to meet today's challenges is De Villiers and Associates.

Founded by Mr Jan de Villiers in 1957, De Villiers and Associates soon established a solid reputation and in the subsequent years the group has grown and evolved into a comprehensively structured organisation.

Today it has defined specialised divisions serving different sectors of the economy These divisions include·

- De Villiers and Associates Financial and Commercial Assignments.
- De Villiers and Associates Executive Assignments
- De Villiers and Associates Computer Division.
- DVA· Execsec, headed by Brian du Plessis.
- Special Services for all Technical and Industrial Assignments
- De Villiers and Associates Engineering Division.
- De Villiers and Associates Medical Appointments

The De Villiers & Associates team.

- De Villiers and Associates Legal Assignments.
- The Fempower Group of Companies.
- Carlton Personnel.
- Femtemp
- Sandown Staff Selection

The strength of this structure, says De Villiers and Associates general manager, Thomas van der Linde, is that it addresses the need for a human resources consultancy across the board rather than performing merely as a generalist personnel agency.

"There is an increasing demand from clients for integrated, tailor-made services addressing the full spectrum of human resources, including psychological services, specific training skills, advertising services, industrial relations, legal counselling services and temporary recruitment services " In the training sector for example, the group has developed a professional computer school to assist in up-grading computer skills using the very latest equipment and highly qualified training officers

The same may be said of the group's secretarial college which is directed by highly qualified specialists.

As for the Contracting Services Division, contracting staff are recruited for short or long-term assignments in the financial, engineering, draughting, technical, commercial and marketing fields and the group has developed an exceptionally talented "pool" of skills in this context, says Mr van der Linde

Another example of group services is the temporary staffing operations Femtemp, established in 1968 It is a leading temporary recruitment operation offering emergency recruitment services

Conversely there is still demand for top quality permanent staff and the group is well geared in this respect, notably in terms of the success story of Carlton Personnel Placements which has been operational in the Carlton Centre establishing an enviable reputation under the management of Linda Hill

In keeping with its integrated services philosophy, the group's support services for its various divisions mesh ideally to offer a complete human resources service under one roof

De Villiers and Associates would welcome inquiries about its services by telephoning (011) 331 7233 or fax (011) 331 8310 or Carlton Personnel (011) 331 7171 or fax (011) 331 7176

Breath of fresh air at Samcor

***Samcor's new group MD** Robert Herbertson's lack of preconceived ideas brings a new dimension to management thinking.*

STAR 29/9/92 (177)

"My task is to create a climate of enthusiasm and appropriate direction, allowing people scope to get on with what they do best within the objectives of the company," says Robert Herbertson, Samcor's recently appointed group managing director

Although Mr Herbertson is a relative newcomer to the industry and the company, his broad experience in general management and lack of preconceived ideas about the motor industry equip him admirably to bring a fresh dimension to management thinking

He is also well placed to assess the strengths and weaknesses of the management team

"Samcor's current management team has been tempered by fire," says Mr Herbertson

It had to cope with the problems of a depressed market as well as face the difficulties inherent in a merger – not to mention coming to terms with the different cultures of Ford and Mazda

Mr Herbertson says· "All these challenges have added fibre to them as individuals and as a team

"There is still room for improved teamwork. Recognition of shortcomings does exist and the commitment to improvement and to the team as a whole is strong indeed.

Robert Herbertson ... creating a climate of enthusiasm.

"The combination of experience in difficult times and the resilience of the individuals in the company means we have a team which I can rely on 100 percent."Mr Herbertson is a graduate of Oxford and the Harvard Business School programme for management development, and as such is more than adequately equipped to make his mark at Samcor

He has some forthright views about the motor industry

With depressed sales and difficult trading conditions in the new car market, all parties involved are forced to operate on low turnover

Mr Herbertson says. "There is little we can do in the short term to improve the economy of the country or industry figures

"What we can do is make sure we run our business well. We have to concentrate on the basics and make sure we maintain and protect a sufficient share of the market

"In the longer term we face much uncertainty. We believe the best thing we can do is remain as flexible as possible." Mr Herbertson says that one of Samcor's strengths is that it enjoys a relationship with three major car manufacturers — Ford, Mazda and Mitsubishi

It will have a wide choice of models to choose from. This choice depends on the economics of the business as well as the economic and political situation in SA.

He says that although Samcor's relationship with international manufacturers is sound, it is clouded by sanctions

He is optimistic SA will achieve political normality in the forseeable future and that present constraints will disappear Samcor management is obsessed with good quality – in both the product and service areas

Mr Herbertson would like to see Ford remain a strong contender in the markets in which it is represented, with some niche models added to the range.

He says the new Fords next year will give Samcor an opportunity of improving the quality of the product. This is largely because the Japanese designers have made the quest for high quality a science.

"In the manufacturing area, this approach has resulted in easier methods of putting cars together and less opportunity for error and inconsistencies."Mr Herbertson says that managing labour relations is part of the management process Good management leads to good product and good service.

"Samcor is doing a good job when it comes to managing labour relations in terms of liaison with shop stewards, understanding what the labour force wants and in negotiating satisfactory resolutions to issues that constantly crop up

"Annual wage negotiations tended to be fairly confrontational in the last few years, this year was no exception

"In this respect questions have been raised as to the viability of the central bargaining forum.

"I believe the situation would have been just as confrontational if manufacturers had negotiated on their own We should try to get more in line with the way the Japanese handle their labour relations "

Samcor would welcome any inquiries about any aspect of its services. Telephone (021) 83 1121

Tackling manager shortage

(172) (448) (1286)

SDWeekly 1/10/92

By Joshua Raboroko

■ 500 000 may be needed within next eight years:

AN initiative to tackle South Africa's critical shortage of business managers at middle and senior level has been announced in Johannesburg

The South African Institute of Chartered Secretaries and Administrators has established the Chartered Institute of Business Management (CIBM)

CIBM will educate students in the four pillars of business management Legal, Accounting, Interpretive and Management, based on the Chartered Institute of Secretaries (CIS)

Reliable estimates suggest that if South Africa meets its economic targets, almost 500 000 additional business managers will be required in all spheres of enterprise in the next next eight years

CIS and CIBM chief executive Mr Alan Barrable said "By making studies and qualifications more accessible, we hope to stimulate greater popularity for business education "

The major advantage of CIBM was that students would be entitled to register for membership at various levels after passing modules of four subjects, without having to wait years to complete the entire course

Plan to boost development has many aspects

STAR 2/10/92. (172)

AS THE single largest shareholder of the Small Business Development Corporation, the Sanlam group of companies is at the forefront of small business development

Sanlam senior manager public relations Leon Koen says "We are fully aware of the critical importance of the small business sector in paving the way towards economic recovery

The thrust of the groups corporate social responsibility programmes in relation to small business development is concentrated in two areas — the promotion of the concept of entrepreneurship and the advancement of this ideal through training

To achieve the first objective, the company sponsors several competitions in conjunction with the Small Business Development Corporation and various individual newspapers to promote and encourage entrepreneurs and new business ideas

In addition to Sanlam's annual corporate membership of the South African Free Market Foundation, it also supports a project which provides lectures on economics to black high school pupils

Sanlam makes annual donations to the KwaZulu Training Trust aimed at assisting with the advancement of less privileged people in KwaZulu.

The group contributes each year to a project run by the South Africa Foundation for Entrepreneurship Development which assists uneducated, unemployed people to develop into self-sufficient workers through self-employment training programmes, which are also aimed at South Africa's returning exiles

In regard to stokvels, Sanlam assists the Get Ahead Foundation with financing people setting up businesses based on the stokvel system

The company's contributions to the Africa Co-operative Action Trust are used to advance needy rural communities through the provision of basic skills in a variety of agricultural and stock-breeding areas.

The Triple Trust uses cash from Sanlam to train uneducated people in a variety of business skills and it also sets up individuals in informal businesses.

Sanlam supports the Valley Trust in its efforts to provide medical, agricultural, technical, economic and educational advancement for black people in Natal and KwaZulu.

The Independent Business Enrichment Centre is also sponsored by Sanlam. This organisation concentrates on the advancement of less-privileged people in the Eastern Cape and Border areas through a process of motivation, training, and assistance with setting up small businesses

The Sanlam Centre for Small Business Management is situated at the Northern Transvaal Technikon and is used for management training

Sanlam's contribution to the Informal Business Training Trust is used to provide basic management training for entrepreneurs and the course has become known as the "Township MBA"

In addition in a co-operative venture with the African Businesswomen's Development Forum, Sanlam is launching a regular flea-market in Khayelitsha.

SA women have increasingly important role to play

STAR 2/10/92 (172)

THE key role of entrepreneurial activity as a factor of production within the economy is often underestimated.

This is the view of Small Business Development Corporation managing director Ben Vosloo. He points out that no production is possible without the four essential resources of raw materials, labour, capital, and entrepreneurship

"Each has an important role to play in the production of goods and services. However, the entrepreneur plays the vital role in that the other three factors of production are not self-mobilising It is the entrepreneur who mobilises the production factors, who gets the economic production machine running."

Given the need for entrepreneurs, the question arises as to where they will come from

The recession has forced many retrenched employees to consider the option of self-employment. The lack of jobs and the bleak outlook for job creation has caused the Small Business Development Corporation to push self-employment as an option amongst schoolchildren. And South Africa is seeing the emergence of an active black business community.

However, there is another section which could provide additional entrepreneurs.

University of Pretoria Graduate School of Management's Professor Ronel Erwee points out that women in the Europe and the United States are in the grip of entrepreneurial fever.

"By 1987 40 percent of all new businesses in West Germany were being started by women.

"The percentage of women entrepreneurs with more than 10 employees rose from 16 percent to 25 percent between 1982 and 1984 in France.

"Women-owned business is the fastest growing segment of the small business population in the US and by 1987 the total of women-owned businesses had risen to 4,4 million," says Professor Erwee.

There are no comparable figures available for the proportion of South African businesses owned by women. But Professor Erwee notes that the Small Business Development Corporation states that 20 percent of its clients are women

The corporation has found its female clients to be good risks as they pay back loans and have a low bad-debt ratio

Women with parents, relatives or friends who are business owners are more likely to establish a small business than those without such contacts.

Ben Vosloo . . . don't underestimate the importance of entrepreneurs

Lending money, and a hand

STAR 2/10/92. (172)

ONE OF the main problems facing budding entrepreneurs engaged in starting their own businesses is a lack of knowledge

This is one of the reasons for Standard Bank's creation of its Small Business Development and Advisory Department (SBDAD)

Starting out with the motto "We don't only lend money, we lend a hand", its specific purpose is to assist new ventures with both finance and training.

The department assists new and existing small businesses through a regional network of small business development managers The purpose is to provide loans to businesses which do not qualify for loans under the bank's usual lending criteria, but show the potential to grow and succeed.

When the department is considering whether to finance a venture, emphasis is placed on the business's demonstrated viability, management expertise, the amount of capital which the owner has personally invested in the business and any supporting security which may be available

The department's small-business development managers are trained to provide financial assistance to new ventures. Their object is to develop and secure banking relationships with small businesses that have growth potential — this work is carried out in co-operation with the respective branch managers

The small business development managers are also there to advise on the type and amount of finance which the small business requires and to assist with the preparation of applications

Controls are there to protect the entrepreneur

(172)

STAR 2/10/92

THE entry of new entrepreneurs into the market in South Africa must be encouraged to promote a vibrant economy, but there are difficulties

First National Bank small business unit senior general manager Ali Mokoka says although small businesses are to be encouraged and in fact, are fast becoming a force in the market place those seeking financial assistance still need to meet certain criteria when applying for a loan from a bank

The fact that many applicants have little or no financial track record is not necessarily a deterrent, but other parameters certainly apply

STAR 2/10/92

Contribution

Says Mr Mokoka "Normal collaterals and guarantees are not very common

"What we do consider very important is the viability of the proposed business and what contribution the individual is prepared to make towards the venture

"We examine his qualifications and whether they apply to the type of business he wants to run

"We also want to know if he is prepared to make the sort of sacrifices in time and energy that are necessary from anyone who goes into a new business venture

"All this information should be contained in a business plan that the applicant will have drawn up before he approaches us"

He says the bank also considers the proposed location of the business and the demand for the product or service at that site.

"This is particularly important, bearing in mind the competitive nature of small businesses, especially when there are a number of similar services competing for the same customers.

"We would decline a request for assistance, even if the applicant fulfilled all the criteria, if we saw that the competition was strong and that the players in that market place already were equipped to counter-act any new entrant," says Mr Mokoka

Reacting to criticism that the banks were sometimes too inflexible in considering applications for further credit, he says it is not the strictness in lending criteria which hinders the development of small businesses

He points out that many small businesses fail because of poor management rather than a lack of funds

"Advancing additional money is not the answer

"The Small Business Unit tries to find the cause of the failure and assist in solving the problem

We place considerable emphasis on business education, and offer practical advice on survival for small businesses in difficulties as well as information on support services and training that are available to the aspirant small business entrepreneur

"We do not want our small businesses to fail and our people will help the businessman with every tool available to make his enterprise a success," says Mr Mokoka

He says the seemingly insurmountable wall of bureaucracy that potential entrepreneurs complain about is in fact a safeguard

"We do the informal sector and entrepreneurs a disservice by lowering our standards and making borrowing too easy

"This would lead to more businesses failing and getting themselves into debt, and reduce our financial ability to help the next man in the queue

"We seek to promote a culture of successful entrepreneurship amongst South Africans so that they will see self-employment as a viable career prospect, not just something to do until the job market improves.

Wealth

"Small business is a most important generator of wealth and forms the cornerstone of a successful economy

"It is obviously in everyone's interest, not the least the bank's, that people with the courage and foresight to start small businesses should be encouraged to do so," says Mr Mokoka

★ First National Bank and auditing firm Deloitte Pim Goldby have recently published a set of books called "Basic Bookkeeping" which fulfills the urgent need for a simple and easy to-follow workbook on how to perform the basic bookkeeping tasks needed in a small business The originators of the books believe they could have a significant impact on the ability of the formal and informal sector to control funds and contain costs.

How to create REAL wealth

Creating wealth through entrepreneurial activity other forms of activity are said simply transfer wealth from one place to another One of the major priorities in S Africa is to create a clear-cut small-business development policy Taxation is issue Small businesses generally pay a higher rate than the larger firms

Franchising has higher success rate

(172) Star 2/6/92

ONE method of starting a business, which generally has a greater chance of success, is to buy a franchise

Such businesses usually have a considerably higher success rate than other start-ups

NedEnterprise, which provides financial services to small and medium-sized businesses, prefers to finance franchises ahead of any other type of start-up enterprise

According to NedEnterprise general manager Neville Edwards, start-up businesses based on franchises have a historical failure rate of less than one percent, whereas the failure rate of small businesses which are not franchises is over 50 percent

Says Mr Edwards "Franchising provides a feasible means of realising the dream of owning one's own business, which is why we concentrate on this area and encourage entrepreneurs to look into franchising opportunities."

Good franchising schemes provide entrepreneurs with a proven system and all the technical and management expertise to succeed This includes training, accounting and management controls, product expertise, a well-known trademark and support from the franchisor

Says Mr Edwards "Due to these aspects of franchising, banks are better able to assess the risk of a business venture and are assured of the ongoing support of the franchisor during the start-up years

"In addition, the provision of monthly management accounts and regular interaction between the franchisor and the franchisee enables a bank to keep track of its client's progress and assist wherever necessary"

Mr Edwards says NedEnterprise is approached regularly by potential investors and intends becoming the leading franchise financier

He is compiling a list of approved franchisors with which the bank will do business on an ongoing basis with franchisees who qualify in terms of criteria set by both the franchisor and the bank.

Education isn't top priority

W/Mail 2/10 – 8/10/92

ANY future increase in social spending as a means of redistribution should not focus on education, despite the skills shortage and the legacy of apartheid education, argues Professor Servaas van der Bergh.

Van der Berg contends in an appendix to the Stellenbosch Economic Project's occasional paper that it takes a long time before the benefits of education are felt. Also, there may be capacity constraints on expanding education at the required rate (such as shortages of teachers and a deficient educational administration).

"Until these problems have been overcome, it may pay better dividends to increase expenditure on housing, special employment programmes, and perhaps nutritional interventions (for example special feeding programmes), if the administration of this appears feasible.

"Expansion of the pension system may have beneficial short-term impacts in that it is one of the few programmes that reaches the rural poor, but against this should be noted that such expenditure is mainly consumption."

Sarlan P1

'Education isn't top priority'

W/Mail 2/10 – 8/10/92 (79)

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The rapid rise of woman in business

South 3/10 - 7/10/92 (172)

AN entrepreneurial "fever" has taken hold of women and they are emerging as business owners worldwide

According to Professor Ronel Erwee of the Graduate School of Management at the University of Pretoria, there has been a rapid increase in numbers of women business owners in Europe and the United States

There are no firm statistics available on what is happening in South Africa, but according to 1984 estimates about 70 percent of small businesses owned by blacks were run by women

The growth of women business owners is also reflected in competitions run by magazines — the Small Businesswoman Award drew 420 entries while the Business Starters award drew 1 000 entries over three years

The Small Business Development Corporation (SBDC) reports that 20 percent, or 3 600, of their clients are women The number of women entrepreneurs varies from region to region and they operate in different sectors

"The SBDC has realised that women are low-risk investments as they pay back loans on time and have a low bad debt ratio," said Erwee

"The small business units of banks and organisations involved in the training of entrepreneurs report that the proportion of women clients is increasing rapidly"

This trend can be attributed to several developments during the eighties

The Women's Bureau started a project in 1985 to stimulate women's interest in business Seminars were held countrywide on "Women Businesses" and about 2 000 people attended A congress on job creation was held to encourage women to become involved in business

By 1988 the first network of women entrepreneurs, the National Association of Women Business Owners (Nawbo), was launched by Erwee

This organisation is affiliated to the World Association of Women Entrepreneurs, an international network of 23 000 members in 30 countries

Erwee said there were four main kinds of women in business

TAKING CHARGE- An increasing number of women are running small businesses

Corporate high-flyers.

These are women working in independent units in large companies who are more likely to establish a small business than those working in the main body of a corporation

They tend to find that "glass ceilings" prevent their promotion beyond middle management levels Sheer frustration and a conviction that they have built up marketable skills prompt them to form a consulting company or specialist service They use the professional networks they have built up to good advantage.

Women who have gone through some traumatic life event:

A woman who is confronted by widowhood, divorce, separation, migration or refugee status may see this as a debilitating event — or a chance to find a new life by, for example, starting a small business

Women from an entrepreneurial family or environment

Women with parents, relatives or friends in business are more likely to establish a small business than those without such contacts

Re-entry women

Many women re-enter the workforce by starting a business from home after their childbearing years This trend is growing stronger and Women's Enterprise magazine was launched to cater for this market.

But women's actual entry into business is also affected by several strong traditions in our society These include

Career choice

Business is not a traditional career choice for women because they have grown up without any role models in this area But since women business owners have become the new media heroines, this has had a subtle effect on career choices Young girls are, for example, becoming more interested in the Junior Achievers' Programme, started by the Centre for Developing Business at the University of the Witwatersrand

Type of company

If women go into business, some still tend to choose traditionally "female" activities because of their skills base and experience Many women prefer businesses such as general dealers, personal services, clothes manufacturing, crafts, retail, PRO/marketing, personnel or business services, transport, design/art, estate agencies or legal and financial services

Major shifts in the types of companies or sectors in which women operate are now emerging

- Some are moving from the informal sector micro enterprises to larger informal outlets such as flea markets in cities or home industries
- The level of sophistication of applications for loans to start a business is increasing among emerging business owners Business plans are clearer and financing is sought from major banks or institutions
- Some women are moving from renting in shopping centres in townships or smaller centres to actually owning shops or renting in larger shopping centres
- Established businesswomen are diversifying into new or related services and multiple ventures
- The number of consultancy firms offering specialist services is increasing
- There is a greater awareness about the value of exporting

Training

The second largest source of high-level staff is women, white and black, who are interested in business As more women study economics and management sciences at universities, a bigger reservoir of potential women business owners is being created

But trainers have not realised the potential of this market For example, US Aid wanted to invest in training programmes for entrepreneurs if 50 percent of the trainees were women — and struggled to find anyone who could understand that there must be women in training programmes!

Financial acuteness

The SBDC (and the grapevine) indicate that the bad debt ratio among women business owners is lower than among male business owners This is because women tend to use more of their own funds when they start, and they save more Their companies are smaller than those of men They are involved in areas where the risk is lower and they tend to grow at a slower pace

Erwee believes that the value of women business owners should not be overlooked and that they should be encouraged at every level The future depends on it

Lynda Loxton

Forum for black women in business

172

South

By Juanita Williams

3/10-7/10/92

IMPROVING the skills and success-rate of black businesswomen is the main aim of the African Businesswomen's Development Forum (ABDF)

Started under the auspices of Fabcos, the forum is run by Khayelitsha businesswomen Ms Joy Msizi and Ms Tembi Tobi

"The forum is still in its infancy," said Tobi, the secretary "We are incorporating all businesswomen — hawkers, dressmakers, taverners, shebeen owners and hairdressers"

Its aims include:

- Creating more work for black businesswomen.
- Getting more black women involved in business
- Getting the informal and formal business sectors to work together more closely

"We encourage black women to take business courses given by the Small Business Development Corporation (SBDC) and Triple Trust," said Tombi

The official launch of the forum is on October 3, with a fleamarket at Nonkqubela station at site B in Khayelitsha starting at 8am

Sanlam has sponsored 30 tables at the fleamarket

- Fabcos has also been involved in the planned launch of the Informal Business Development Trust This will be registered as a Section 21 Trust and will help the informal businesses gain access to affordable trading/manufacturing space
- Fabcos national vice president Mr Sam Tuntubele is heading a major drive to unite all separate business organisations in the Western Cape into a single representative body

The idea of this "Consultative Business Forum" has already been mooted among most local organisations

Black Management Forum — getting blacks into business

Sowt 3/10- 7/10/92. (172)

THE Black Management Forum (BMF) was launched by a group of black managers to explore prospects of establishing a body to facilitate black entry into and effective participation in business management leadership

The political upheavals of 1976 and1977 led to the organisation going through a lull until 1978 when the initiative was resuscitated

On February 26 1981, the BMF was formally accorded the status of an Association incorporated under section 21 of the Companies Act, (Act 61, of 1973)

From 1986 onwards the BMF embarked on a vigorous drive aimed at establishing branches outside Johannesburg It now boasts 11 full branches and 3 student chapters

The activities of the BMF over the years succeeded in creating awareness in the corporate world of the need to develop managerial leadership also among black people and these activities helped to lend credibility to the management profession in certain quarters of the black community and among black students at tertiary education institutions.

The awareness created by the BMF for the development and inclusion of black people into high-level occupations did not bear the desired results. The number of black people in managerial positions in the country has hovered around three percent for many years

The BMF has resolved directly and actively to enter the field of human resource development and organisational development insofar as it affects black people.

As a black initiative dedicated to a non-racial workplace it seeks take advantage of it's background in entering into effective strategic alliances with companies.

What is the Black Management Forum?

It is an independent and non-governmental black initiative dedicated to placing black managers on an equal footing with managers from other backgrounds and environments and thereby cultivate attitudes, beliefs, motivations and competencies in both black and white managers and business leaders which will be conducive to the growth of the economy

Mission Statement

The BMF stands for the development and empowerment of managerial leadership among black people within the work environment, and the creation of a workplace that reflects the demographics and the values of the wider community.

Strategic Objectives

1 To train and develop black people to be effective business and management leaders

2 To ensure appropriate recruitment, selection and advancement of black people into business organisations

3 To provide career guidance services and facilities to members, including students

4 To facilitate the process of the indigenisation of business.

5 To promote awareness of the importance of managerial leadership for economic advancement and empowerment.

6 To encourage members to play an active role in the broader South African community.

7 To create a dynamic and effective platform for the exchange of management and business information, views and experience

8 To become an effective voice for the needs, aspirations and views of members.

9 To uphold and enhance the highest professional standards and principles in business and managerial leadership.

10 To develop and implement programmes for the monitoring of organisational performance on the normalisation process in the context of the mission of the Forum

Key Principles

1 The optimum utilisation of the country's human resources

2 Equal opportunity, self-development and advancement

3 Establishment of conditions and structures for strong economic growth

4 A just non-racial democracy for South Africa as one nation

5 An Africa-centred management and leadership perspective which takes South Africa as a point of departure in relating to the global political economy

Driving Values

Competence

1 A competent and capable management cadre

Ubuntu

2 A responsive and caring attitude

Unorthodox

3 A different and creative management style

Integrity

4 Honest and ethical standards, respecting the environment

Service and Benefits

Individual members, including students, are prepared to play an effective management and leadership role in corporations and in the community. Corporations and employers are assisted in finding the most appropriate ways of harmonising with the community and in identifying, developing, and advancing people irrespective of colour or background for business strategic survival and success.

Membership

Membership of the Forum is open to all, black or white, who aspire to be managers, who practice management or who teach or train in management. Corporations and institutions are actively encouraged to be members of the Forum.

Guide to beating the recession

South 3/10 - 7/10/92. (172)

ONE OF the biggest headaches facing businesses of all shapes and sizes is coping with the seemingly never-ending recession.

The founder and chief executive of the Progro Consultancy Group, Mr John Hendrickse, says business people need to "recognise that there will always be economic or business cycles, with good and bad times, upswings and recessions This means you have to plan your business to cope with both situations"

For example, a marginal business that just survives in boom times will surely fall in the doom times — so how do you ensure you have a recession-proof business?

Hendrickse says most battling businesses blame the recession for their struggling business

"But what's really happening is that the economy is reflecting the quality of collective business performance The question is Are you part of the problem or part of the solution?

"The solution does not lie in miracles or areas outside one's control It lies in basic business common sense"

Hendrikse has developed a seven-point action plan to help businesses deal with the recession

1. Focus on your core business:

Concentrate on the areas you know best and develop unique features and benefits Get your whole organisation fully committed to your core business

2. Start a customer care service·

Look after existing clients and customers Don't neglect captured business at the expense of new customers Get "close to your customers', especially with after-sales contact Improve your communication programme with existing clients

3. Get a commitment from all your employees:

Encourage staff to put an extra bit of effort into everything they do This will be seen in customer service, productivity and quality of performance But it starts with inspired leadership — an example at the top that filters through the organisation Give the team a firm goal, such as service for survival and success

4. Control your information.

You need to know daily, as well as monthly, how your business is performing in all key result areas

You need to have an overview or "bird's-eye" view of your business in three areas

- Am I getting richer or poorer?
- Am I making profits or losses?
- Is my working capital improving or deteriorating?

Once you have achieved that, you need to have a "mole's-eye" view of the following

- What products/services/divisions are contributing to profits?
- How is my actual performance against budget?
- Which assets are under-performing or are idle?
- Which employees are ineffective and not achieving output targets?

5 Control your costs·

Every cost centre and cost element needs to be evaluated in terms of its contribution to profits It is easier to reduce overheads than to increase prices or sales in recessionary times Be ruthless about unnecessary waste and wasted costs Fight for better trade prices, trade discounts and cash discounts

6 Control your cash.

Start running your business on a cash basis This involves the following practical steps

- Determine your monthly cash overheads and commitments
- Determine your monthly cash break-even sale level.
- Prepare a monthly cash flow forecast at the beginning of the month
- Prepare a monthly cash flow statement at the end of the month (actual versus forecast).
- Be tough on overdue accounts Take personal control over credit granted and collections of debtors due and overdue.

7. Start managing yourself:

Survival and success begins with the boss How effective are you? When last did you evaluate your business, the organisation and its resources? Now is the time to tackle the problems head-on, not just the fragmented symptoms

CUSTOMERS: 'Don't neglect old customers for new ones'

Start training now!

Many young pupils are forced to leave school before they actually realise the full potential within

Alen 4/10/92

REPORTS BY ELIAS MALULEKE

BLACKS must start training now and take over the challenging business management roles in the new SA.

The SA Institute of Chartered Secretaries and Administrators (CIS), has launched an initiative to tackle the "critical" shortage of business managers at middle and senior level.

CIS chief executive Alan Barrable said reliable estimates suggest that if SA met its economic targets, almost 500 000 additional business managers would be required in all spheres of enterprise within the next eight years.

"By making studies and qualifications more accessible, we hope to stimulate greater popularity for business education"

Barrable, who is also the chief executive of the recently launched Chartered Institute of Business Management (CIBM), said the major objective was to improve awareness of the opportunities inherent in business careers.

The CIBM will educate students in the four pillars of business management – legal, accounting, interpretive and management.

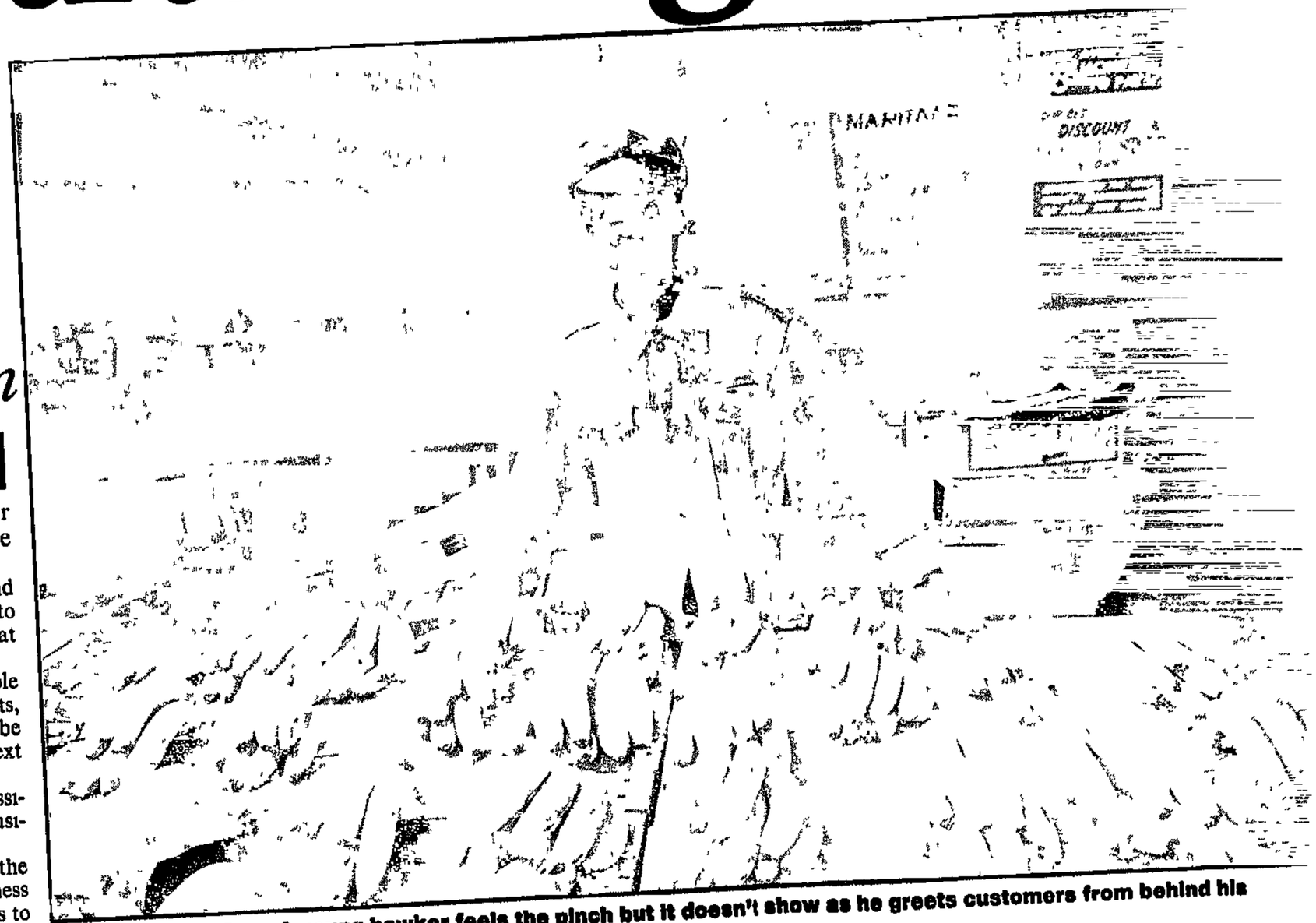
Barrable said the major advantage was that students of CIBM would be entitled to register for membership at various levels after passing the four module subjects, without having to wait years to complete the entire course.

Students who achieve Fellowship of CIBM qualify to apply for the internationally recognised Fellowship of the CIS.

He pointed out that many young achievers were forced to leave school before realising their full potential.

CIS was also expanding its bursary programme through its Business Administrators Educational Foundation (Mentor). The bursary fund is donated by SA business and members of the institute.

Those with genuine need and the potential to succeed may apply for funding by contacting Barrable at (011) 403-2900.



GOING BANANAS . . . A young hawker feels the pinch but it doesn't show as he greets customers from behind his banana-laden table.

New brain-drain fears increasing

S/Times (BUSS) 4/10/92.

(172)

By CIARAN RYAN

TOP executives are looking for jobs abroad because of uncertainty about the political future and concern over declining educational standards

There are fears that four years of net immigration will be reversed by a brain drain reminiscent of the mid-1980s. But world recession and tighter immigration laws will force many would be emigrants to stay at home. For the well heeled, however immigration is a formality

Foreign personnel placement firms say the rate of inquiries accelerated after the Boipatong and Ciskei killings and the breakdown in political negotiations

A spokesman for Isle of Man-based emigration and personnel placement consultancy, Connexions, which recently opened an office in Johannesburg, says "There are jobs available for people who are well qualified, but for the rest it is a bad time to leave"

Favourites

A US-based computer personnel consultant with an office in Johannesburg says several very senior people are looking for jobs in America

The preferred destinations are Canada, the US, Europe and New Zealand

Former favourites, such as Australia and the UK, are less popular because of the worsening recession in both countries

Monaco and Gibraltar also feature on the list of desirable destinations One emigration consultant says Gibraltar is rapidly becoming a financial services centre, a field in which SA has expertise.

"People are concerned about their children and their education Others want to leave for a few years to see how things pan out here."

Trevor Woodburn of Woodburn Mann, an international head-hunting consultancy with associate offices in 30 countries says "Many senior people applying for overseas positions think they will be snapped up

Generations

"But the overseas job market is flat. There are thousands of chartered accountants lawyers and engineers walking the streets However, we still get requests from abroad for senior people with specialised skills.

"They are generally the chief executive officers or first line directors — for this level of skill companies are prepared to search all over the world.

Former Times Media managing director Steve Mulholland was recently head hunted by Fairfax, the Australian newspaper group

Previous generations of emigrants were aided by relatively buoyant job markets in most western countries But this time, PhDs might count themselves lucky to find jobs as petrol pump attendants — if they qualify for immigration, says one agency

Most consultants expect the foreign job market to pick up next year as the forecast world economic recovery gets under way

Peak

Several SA agencies specialising in recruiting computer personnel are doing brisk business

Christine Bell of Personal Direction, a computer placement agency, says. "Provided you've got the right skill you can still get work overseas.

"Programmers with Natural Adabas, Oracle or AS400 language skills are still in demand in the United States and increasingly in the Middle East."

The number of immigrants to SA slumped after PW Botha's Rubicon speech from 17 284 in 1985 to a low of 6 994 in 1986, picking up again to 14 499 in 1990

The number of immigrants in 1991 slowed to 12 379 and figures for the first four months of 1992 suggest a sharp decline to about 8 000 for the year

Emigration peaked at 13 711 in 1986, after which it fell steadily to 4 256 in 1991

Extrapolating figures for the first four months of 1992 suggests emigration of about 4 000

But the figures do not reflect the collapse of confidence after the Boipatong and Ciskei killings. Many "emigrants" are leaving unofficially to circumvent tough Reserve Bank rules which require them to take money out in financial rands

The consultant says "Once you declare that you are emigrating the Reserve Bank puts you under the microscope"

Most countries have tightened up on immigration because of unemployment. US authorities recently clamped down on illegal immigrants in the computer business.

Australia has unemployment of 11% and immigration quotas were cut by 25% this year

Backlash

Dr Woodburn says: "Many people who went to Australia in the mid-1980s became disillusioned with the country and came back.

"There is something of a backlash against South Africans there because so many of them took jobs that many Australians felt should have gone to locals"

Grass roots anti immigration campaigns in several countries, including Australia France, Germany and the US, threaten to restrict international mobility even further

Most agencies are nervous at the suggestion that they are contributing to the brain drain.

One says: "If people want to leave the country, they will go, whether we are there or not.

Small business talks to US

THEO RAWANA

SUN CITY — The SA small business fraternity, meeting in Sun City, was linked by satellite to the US yesterday

US Small Business Administration (SBA) national programme manager John Bedris fielded questions from panelists of the Small Business Unity Workshop

Chairmen of the four different conference workshops were Keith Foster, CEO of the construction training agency and Sunnyside group (deregulation) chairman, Dick Robb of Barlow Rand and chairman of the Matchmaker services (sub-contracting/matchmaking), Willie Conradie of Volkskas and Trust Bank (financing), and Business Challenge (marketing) CE Phil Khumalo B/Day 6/10/92.

The link-up, sponsored by US Information Service, showed that the US had many of the same problems concerning small business as SA, but was tackling them

Bedris said his organisation had the same problem when it came to training small business people

Most of them would say that all they needed was finance, they did not need training, they said

"We fight the same battle in the US and 80%-85% of the failures in business are due to lack of management training"

He advised SA to step up marketing of planning programmes (172)

However, the US had lower interest rates than SA, so there was no need to make concessions for budding businesses

Another advantage when it came to starting a small business development programme was that the US had a good resource environment.

"We did not have to fight like you have to for your base," said Bedris.

He advised SA to train the small rural and urban communities to go for exports There was no point in people being trained to sell to their own communities, he said, because there was hardly any money in those communities

Black businessmen told to build capital

THEO RAWANA

SUN CITY — The ANC urged black businessmen to think of building up capital instead of trying to ape whites with palatial houses and expensive cars, the organisation's trade and industry policy co-ordinator Tito Mboweni said at the weekend.

He was addressing the Small Business Unity Workshop conference, organised for the annual Small Business Week and hosted by Potchefstroom University's Small Business Advisory Bureau

Mboweni urged government and parastatals to allocate contracts for undertakings such as the supply of stationery and computers "This would go a long way towards promoting the development of small business The black businessman grows on contracts." B/Day

However, he asked "Are black businessmen ready to take up the task? Are they taking advantage of these packages or just squandering the resources? 6/10/92

"There is a pattern among blacks We have been excluded for many years from the good things in life To equal whites, we build big houses and buy expensive German cars

"That money which we could get from the SBDC or the banks could be used to build capital We should pool our financial resources to buy shares," he said

"Why can't we learn from Afrikaners who put all their money into Volkskas, their insurance into Sanlam and their buying power into Uniwinkel?"

Nedcor raises R2m for drought relief

(172)

MEREDITH JENSEN

NEDCOR Bank has managed to raise nearly R2m through its drought relief effort, The Harvest, despite the poor economic climate B/Day 6/10/92

Launched by Nedcor in July, The Harvest has seen individuals, as well as corporations, pool their resources in an attempt to help SA's millions of drought victims

Nedcor Bank public affairs GM Theo Coggin said the bank hoped to attract the attention of corporate investors during its final month of the drive

"The Harvest is the perfect conduit for corporations which have earmarked funds for drought relief" Nedcor had the ability to channel funds directly to relief efforts without deducting administrative fees, a common practice

Coggin said many corporations had already donated funds to The Harvest, including Murray & Roberts, LTA Construction, Highveld Steel and Vanadium and CG Smith Foods

Nedcor's objective with The Harvest had been to support a sustainable and stabilising relief effort, he said

In addition to the corporate funds raised, Nedcor had been donating 10c for each ATM transaction, amounting to R350 000 a month off the company's bottom line

The credit card division had pledged 15c for every R500 spent, while Nedcor employees had been asked to donate up to 3% of their annual bonus, Coggin said

Nedcor Bank College opens

B/Day 6/10/92 (172)

SHARON WOOD

NEDCOR Bank yesterday officially opened its R2,5m Nedcor Bank College, offering employees a holistic banking education.

The college will start with a pilot group of 65 students, initially on a "floating" campus, using rented training facilities.

The curriculum offered at the college covers professional, life, utilisation and management skills (Plum) and includes study skills, self-image development, systems thinking, social interaction skills, marketing and decision-management. The course will interlink theory and practice

It will also offer a number of basic core studies for the educationally or socially disadvantaged. These will include literacy, computer skills, assertiveness training and leadership development.

Most of the courses are registered with the Manpower Department, Damelin and the Institute of Bankers and thus students will receive recognised certificates.

The group believes the college will make a contribution to the social reconstruction and normalisation of SA and that it will keep both the organisation and its personnel at the forefront of innovative thinking and creative competition

"Our business logic and strategic planning indicate that to survive and remain competitive in our changing markets, we need to develop our future management now.

"Both from a business and socio-political point of view this urgently requires us to develop the skills of all racial groups in a non-discriminatory context," a statement says

Candidates for the college will be selected through a combination of recommendations from management, personnel consultants and themselves 'Students will have a strong say in their curriculum.

title and interest in the film version of Ipi Tombi, which had been produced at a cost running into several millions of rands,

"It is reasonable to expect there to be a not insubstantial dividend to creditors," he said.

Report warns of sexual harassment costs

WILSON ZWANE (172)

SEXUAL harassment at work can be costly for companies by forcing valuable staff members to leave and by reducing productivity, morale and motivation, claims an article in this month's edition of People Dynamics. B/DAY 7/10/92.

Writing in the Institute of Personnel Management's journal, authors Truida Prekel and Jennifer Wilkinson said a strong need existed for companies to develop sexual harassment policies.

A recent survey conducted among members of the Institute of Personnel Management (IPM) and the Institute of Directors (IOD), indicated only 6,5% of companies had formal policies on sexual harassment.

In an attempt to resolve the problem, the IPM, IOD, the Women's Bureau of SA and the ANC Women's League were formulating guidelines on how to deal with the problem, Prekel and Wilkinson said. These guidelines were expected to be available by next month.

Prekel and Wilkinson described sexual harassment at the workplace as unwelcome or unwanted attention of a sexual nature from someone at work, which "causes discomfort, humiliation, offence or distress".

Firms facing smoking law

B/Day 7/10/92

WILSON ZWANE

(172)

EMPLOYERS may have to introduce company smoking policies soon to avoid prosecution under pending legislation banning smoking in public places, says a study of the issue

Writing in this month's edition of the Institute of Personnel Management's People Dynamic, Wits Business School student Camilla Southey said increased environmental awareness and the growing assertiveness of non-smokers made smoking at workplaces a delicate issue.

She said non-smokers were becoming increasingly aware of their right to work in smoke-free areas and were demanding a ban on smoking at work places

"In order to ensure a healthy and efficient working environment, employers should ensure that the needs and wishes of both the non-smokers and smokers are treated fairly," Southey argued

Employers might have to move fast to introduce smoking policies in the near future or risk falling foul of pending legislation

Southey said the Tobacco Products Control Bill gave power to the Health Minister to ban smoking in "any indoor place area which is open to the public or part of the public". It was likely to be passed into law early next year

Employers, however, should not unilaterally decide on smoking policies, she said

"Before embarking upon a smoking policy, an employer should investigate the attitudes of all employees towards smoking at a workplace A policy should never be imposed on employees but should be discussed thoroughly and agreed upon by everyone who will live and work with it," she said

Consensus on a policy would help reduce hostility and tension between non-smokers and smokers

Once the smoking policy had been agreed upon, sufficient time should be allowed for employees to become accustomed to the "new rules"

"A possible way of doing this is to implement a progressive policy. This involves increasing the limitation of smoking over a specified period of time

"It is also a good idea to give employees time between the decision on the the policy and implementation so they can begin to prepare themselves

"Once the policy has been implemented, time should be allowed for a trial period of not more than six months" before being reviewed.

Mast Holdings earnings up 8%

DUMA GQUBULE

EDUCATION and training group Mast Holdings has reported an 8% increase in attributable earnings to R501 000 for the half year to end-August.

Chairman Stephen Dallamore said the group's product-based businesses — which included Mast Video Training, Lexpress Data and Mast Publications — had continued to perform strongly, achieving or exceeding their budgets.

Mast Training Consultants had maintained market share, but had been affected by cutbacks in training budgets due to the poor economic climate

Turnover was up 16% to R11,4m (R9,8m), but pre-tax profits advanced 3% to R884 000 (R855 000) The tax rate slipped and attributable earnings came to R501 000 (R465 000), equivalent to 2,33c (2,17c) a share.

Dallamore said the acquisition of CNA Gallo's former Academic division, which was effective on September 1, had further strengthened Mast's niche market in knowledge, education and training products

The new division, which included Campus Books, Logan Bookshops and Westdende Rondebosch, was expected to double Mast's turnover and asset base Academic was settling down under Mast management and had exceeded budget in its first full month

Dallamore expected satisfactory results for the full year and said Mast Publications and Lexpress data traditionally had a stronger second half

Award recognises service excellence

(172)

STAR 8/10/92

Alongside its annual conference in 1989, APSO pioneered a competition for the personnel service industry, an award for a personnel consultant who provided service excellence to his or her clients.

That first year, there were 27 entries. However, the research carried out by an independent research company to decide the winner indicated there should be two competitions. The qualities that make a good consultant in the permanent placement industry are not the same as those needed by a consultant to succeed in the temporary-staff contracting industry.

So, in 1990, the competition was expanded to recognise temporary staff consultants as well. That year, the number of entries increased to 46

The winners were Hilton Davis of Achievers Personnel (permanent) and Leonie Fischer of Quest Personnel (temporary).

This year's competition, which remains the only competition in the personnel service industry worldwide, attracted 71 entries.

The judges of this year's competition have on their panel a number of international experts as the APSO conference plays host to the International Confederation of Personnel Service Associations (IPSA) Annual Congress.

The panel of judges consists of: Pauline Ashleigh, IPSA's Australian president, Leonard Allen, executive director of the Federation of Employment and Recruitment Services (UK) and secretary-general of the Confederation Internationale des Entreprises de Travail Temporaire (CIETT); Dani Smith, executive director of the Institute of Personnel Management (Southern Africa) and Rob McGregor of The Star, which is a major sponsor of this year's competition.

Agency shows its Steyn power in tough times

(172)

STAR 8/10/92

Sandra Steyn joined the personnel industry for the challenge it represented and because the industry offered opportunities.

"There seemed to be less sexual discrimination and more chances for the advancement of women in the industry," she said.

Steyn had reached what seemed to be a ceiling in the computer industry, having been a systems analyst for six years.

"It would have taken me another 20 years to even stand a chance of getting on to the board," she said.

Ten years later Steyn is managing director and owner of Brent Personnel, having worked her way up the rungs of the business.

Steyn said the present recession has affected the personnel industry as much as it has the rest of the SA economy.

"A good indication of the severity of the recession on the personnel industry is that during the boom years I remember there being as many as 14 pages of classified advertisements for employment vacancies in the local press. Recently the number of jobs advertised fill only two or three pages: the market has shrunk considerably," she said.

Business in the personnel industry at the moment contrasts a big pool of job applicants on the one hand with a small employment market on the other.

"However, creditable personnel agencies that have built up a sound client base over a period of years are still able to operate professionally."

Watching over the industry

(172)

The Association of Personnel Service Organisations of South Africa (APSO) was formed in August 1977 out of The Association of Private Registry Offices, which had been in existence for about 10 years.

By 1976 personnel services in SA had undergone tremendous growth and diversification and it had become apparent that there was a need for a more representative body to safeguard all sections of the personnel service industry.

At the time representations were being made to both the Riekert and Wiehahn commissions, which were in hearing over labour legislation, to ban employment agencies and temporary staff contractors. It was through submissions made by APSO to both commissions that provision was made for the industry in both the Guidance and Placement Act 1981 and the Labour Relations Act in 1983

After careful study of similar associations in the United States, Britain and Australia, APSO adopted a constitution and code of ethics.

To make provision for the very varied sectors of the industry separate sections were formed, each of which drew up a code of conduct for members operating in that sector of the market

There are at present seven sections within APSO:

- Personnel selection consultants — management staff.
- Personnel selection consultants — general staff.
- Temporary staff contractors — commercial staff.
- Temporary staff contractors — industrial and technical staff.
- Search.
- Computer and electronic staff.
- Student, temporary and permanent placement

8/10/92

Association of Personnel Service Organisations of South Africa

Conference Preview

A Star advertising feature

In its 15 years of existence, APSO has worked towards safeguarding all sections of the personnel service industry. The association has pioneered a competition, the only such competition worldwide, for excellence in the industry, and it holds an annual conference, which this year sees some of the world's leading authorities taking part.

Conference brings world to SA

STAR 8/10/92 (172)

The programme of this year's annual conference of the Association of Personnel Service Organisations of South Africa (APSO) is probably one of the most interesting for many years, as we have the added attraction of international delegates, not only attending but forming an integral part of the conference programme.

This year, instead of having to travel overseas for a conference of such quality, we are bringing it to South Africa.

Having experienced many international conferences, I can assure every member that they will learn something invaluable from this exposure to international practice methods.

This is an opportunity that not only the owners of companies but also their consulting staff should not miss.

The programme has been specifically geared to managers on the one day and consultants on the next, and this will be an invaluable opportunity to assess international trends, both on a formal and social basis.

The panel discussions will ensure that any questions you may have will be answered by the "experts".

We also have an outstanding quality of local speakers to complement an exciting programme of extremely relevent topics over the two full days.

It is conferences such as this that will give delegates the vision and motivation to succeed through the difficult times we are currently experiencing. It will put you ahead of your competition if you attend, or leave you behind if you don't. — *APSO president John Dawkin*

Employer groups given international help

B/Day 9/10/92 (172)

DIRK HARTFORD

THE establishment of a single, nonracial national employer organisation in SA will be discussed today when a joint Nafcoc-Fabcos-Saccola working party meets an International Employers' Organisation (IOE) delegation

A four-member IOE delegation has been trying to help these three major employer organisations achieve unity as a basis for readmission to the international organisation

The IOE delegates, who return home at the weekend, are from employer organisations in Kenya, Ireland, Holland and Norway.

While Saccola represents a coalition of the vast majority of white business organisations, Nafcoc and Fabcos together embrace all major black business organisations.

A new representative employer organisation would be the first genuinely nonracial employer organisation in SA.

9/10/92

Try to say it with comics

South 10/10-4/10/92.

COMIC strips usually amuse and entertain, but, as more and more life assurance schemes are finding out in South Africa today, they can also educate

Employee benefits are a complex issue at the best of times, but during negotiations between workers and employers, workers are often at a disadvantage because they do not know enough about insurance, pensions and other benefits

To help them, Old Mutual has pioneered easy-to-read comic strips to explain these complex issues to workers

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At least two are already in circulation One has been produced for its employee benefits division and the other for Iscor

They graphically explain the differences between, for example, pension funds and provident funds, why these are needed in today's society and what is done with the money in the fund to ensure that it grows and/or is used to back social programmes.

Explaining the move, Old Mutual's general manager in charge of employee benefits, Mr Garth Griffin, said negotiations about employee benefits were usually highly emotional, with rhetoric and a lack of realism predominating.

"When participants better understand the issues and each other's viewpoints, it is possible to move quickly towards practical resolution — for the benefit of all," said Griffin — **LYNDA LOXTON**

Policy probe planned

Sowk 10/10 – 14/10/92

THE NEED to urgently identify coherent policies to promote small business at all levels dominated this year's Small Business Week conference at Sun City

Instead of speeches the conference was organised into two days of intensive workshops dealing with training, marketing, deregulation, subcontracting and financing

On Monday, the United States Information Service organised an hour-long satellite link-up with the national programme manager of the Small Business Association in Washington, Mr John Bebris (172)

Participants in the workshops raised the main issues and Bebris gave details on how these had been dealt with in the United States

The 200 delegates decided that a steering committee should be established to formulate a policy framework for small businesses, which would be put to all political parties

The Small Business Development Corporation/Southern Small Business Week runs until October 10.

BUSINESS PROFILE Women urged to be active in political, social a

'Women must compete in all spheres of life'

(172)

Sowetan 15/10/92

■ South Africa's black women need to play a greater role in the economy:

By Joshua Raboroko

BLACK South African women have a role to play in solving the country's many problems, including helping to ease the housing crisis

They need economic advancement that will enable them to create wealth, jobs and develop entrepreneurial skills, especially among the poor.

Speaking on the topic of "Women - The Home-makers" at a seminar on the housing crisis in Alexandra, executive member of Women for Peace Mrs Patience Phashe said black women have been relegated to inferior positions

She said "Men can build homes but women are the pillars of families. They must be given opportunities that will make them compete in all spheres of life."

Financial institutions were reluctant to grant home and other forms of loans to women, she said, adding· "This attitude must change Women want to economically empower themselves "

She urged women to be active in political, social and economic affairs

She was concerned about the number of black women in Codesa, and argued that "women's voices are equally important and they want to be politically liberated".

It was important that black women should take up ownership of property and become small and medium scale

Patience Phashe.

business entrepreneurs

Regardless of their size, businesses started by black women were increasingly having a significant impact on the South African economy in view of the job opportunities that they created

One of the problems facing black women was their acceptance into the workforce. Many have been to technikons and private schools getting "first class" training but unfortunately at the end of the day they find it difficult to find jobs

She accused the corporate world of being racist and sexist, adding that the notions of some managers showed that there was no commitment to affirmative action

She did not see black advancement as discrimination in reverse, she said, adding· "We have to steer clear of the question of race

"But how do you address the question of race without mentioning race, it is like talking of drought without mentioning water," she added

Don Manaka

Sinnah Ramakhula

Woman named for top NSB job

■ Company throws discrimination out and appoints former social worker:

SOWETAN 15/10/92 (172)

By Joe Mdhlela

THE National Sorgum Breweries this week proved that it did not discriminate on the basis of sex by appointing Mrs Sinnah Ramakhula as group public affairs manager

Ramakhulu, who joined the company in April, trained as a social worker and is a graduate of the University of the North

In another development, NBS appointed Mr Don Manaka as group general manager distribution, transport and loss control

Manaka, a former journalist, joined NSB 18 months ago as general manager of a Pretoria plant

Ramakhula, before branching out into social work, was a teacher for many years in Soweto before enrolling for a social work degree at the University of the North in 1979

She was previously employed as national co-ordinator by the South African Black Social Workers, and she was co-ordinator of the South African Institute for Medical Research in the Aids education programme division

Sowetan 15/10/92

Honours for Sam Motsuenyane

Sowetan 15/10/92

Business Challenge tribute to leader of Nafcoc

By Joshua Raboroko

MR Sam Motsuenyane will be honoured for his role as an entrepreneur and leader at a function at the Johannesburg Sun Hotel on Sunday at 10 am

The occasion, organised by Business Challenge, will focus on his experiences in black business

Motsuenyane's leadership and courage in the dark days of apartheid was a guiding light for business people from the underprivileged communities

He is one of the founder members of Nafcoc which he led for 28 years He retired at the chamber's annual conference in Sun City in July this year

He is presently writing a book on black business and serves on the board of many companies He was honoured at the Business and Entrepreneurial Development Conference organised by *Sowetan* and sponsored by the Development Bank of Southern Africa

Woman of achievement

UNIVERSITY of Cape Town deputy vice-chancellor Dr Mamphela Ramphele has been awarded the Woman of Achievement Award by the Cape Town branch of the Woman's Bureau of South Africa.

Ramphele is the first woman deputy vice-chancellor ever appointed to UCT and has distinguished herself in community health and social anthropology. She has been prominent in mission hospital work and managing black community programmes in the Eastern Cape The Women of Achievement Award is a floating trophy presented each year to a Western Cape woman who is outstanding in her chosen field The trophy will be presented to Ramphele at a banquet on November 10

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Argus 16/10/92

OFFICIAL: SA under-performs

S/Times (BUSS) 18/10/92 (172)

By KEVIN DAVIE

SOUTH AFRICA has emerged as one of the main under-performers of the latest World Competitiveness Report.

The report ranks 37 industrialised and newly-industrialised nations.

South Africa, which is included in the annual study for the first time, is ranked eight of 14 developing economies, narrowly ahead of Venezuela.

Singapore, Taiwan, Hong Kong, Malaysia, Korea, Thailand and Mexico were found to have more conducive environments to promote global and domestic competitiveness

The report is a joint annual project by the World Economic Forum and IMD, a Lausanne-based management development school.

The ranking looks at eight key variables:

- Domestic economic strength;
- Internalisation;
- Government;
- Finance;
- Infrastructure,
- Management,
- Science and technology, and People.

SA achieves relatively high rankings on only two of these criteria. It is ranked fourth in finance, the performance of capital markets and the quality of financial services

Dismal

SA gets the second-highest developing country ranking in science and technology

But SA's performance on several of the other criteria is dismal SA is ranked 12th in terms of the strength of its domestic economy, just ahead of 14th-ranked Hungary, now reforming after years of socialist rule.

SA is 10th on participation in international trade and investment flows and 10th on the extent to which government policies are conducive to competitiveness. It is last (14th), after Pakistan, on the people measure, which describes the availability and qualifications of human resources

"The challenge is to spread its competence, skills and educational basis among the population," the report says

Some points of SA's excellence are identified by the report. South African managers consider themselves the most willing to delegate, co-operation between universities and companies is only behind that of Singapore, and SA, Singapore and Malaysia come out tops in the protection of intellectual property.

Japan is the industrialised world's most competitive nation, with Germany holding second position. The US slips from second to fifth. Switzerland holds third spot, with last year's top performer, Denmark, moving from eighth to fourth.

The report says Denmark's improved rating comes from the confidence Danish executives have in their economy. This is supported by the underlying economic data, which shows that the domestic economy climbed from 11th to 8th place among industrialised countries

Urgent

Competition Board chairman Dr Pierre Brooks says the report shows that there is an urgent need for the reappraisal of the competitive environment in SA.

"It is clear there are deficiencies in the system which need to be remedied as a matter of urgency. A comprehensive reappraisal of the situation is necessary."

It is believed ANC secretary-general Cyrus Mekgwe.

Productivity in ANC spotlight

WILSON ZWANE

NO PROGRAMME aimed at increasing productivity would succeed unless the entire economic system was legitimised, ANC NEC member Saki Macozoma said yesterday B/Day 21/10/92.

Addressing the 36th annual convention of the Institute of Personnel Management in Sun City, Macozoma said labour should not be blamed exclusively for the ills of the country's economy

He said various factors had an impact on the "productivity dynamic"

These included the perception SA's economic system was illegitimate because it excluded blacks, and the poor education system which "fails to inculcate basic tenets that would help in increasing productivity"

Macozoma said the country's political crisis was characterised by

- ☐ A lack of political legitimacy;
- ☐ Mistrust of security forces and the judicial system (by blacks),
- ☐ A climate of repression and intolerance,
- ☐ Escalating exploitation of ethnic and regional divisions, and
- ☐ The collapse of local authorities.

Police 'threatened Boipatong witness'

B/Day 21/10/92

TWO policemen threatened a witness of the Goldstone commission of inquiry into the June 17 Boipatong massacre when they visited his home, the inquiry heard in Vereeniging yesterday.

ANC counsel Karel Tip told the commission, which resumed sitting yesterday after a two-month recess, that the witness had said policemen visited his Boipatong home on Wednesday last week. The witness was not home so the policemen had left a threatening message with his wife, Tip said.

SAP counsel Flip Hattingh told the commission the police had no idea the man was to be called as a witness.

He said policemen had visited the Boipatong area on Wednesday night to make certain observations, but said they had not entered any premises.

The commission was also told that an analysis of the erased police tapes relevant to the investigation would be made available next week.

Judge Richard Goldstone said the British government, to whom the tape had been submitted for analysis, would provide the commission with the relevant information — Sapa.

Stress a danger to black managers

B/Day 21/10/92

ANDREW KRUMM

SUN CITY — The small pool of black managers would shrink in the next five years should advancement programmes not take into account stress-related disorders, Bristol-Myers-Squibb director Ben Allmann said yesterday (172)

Speaking at the 36th annual convention of the Institute of Personnel Management, Allmann said corporates had to extend their thinking beyond the workplace, or about 86% of black managers would suffer from performance-impairing stress related disorders within the next two years

He said his predictions were based on the results of a three-year collaborative national management stress research project he conducted among managers from 13 major companies.

The project showed that black managers found their homes and community environments twice as stressful as their work.

Black managers recorded lower remuneration, less praise and more criticism, discrimination and cultural gaps as contributory to stress.

ANC plans protests against KwaZulu

B/Day 22/10/92 RAY HARTLEY

NATAL is on the boil following the deaths of more than 40 people in the past week

The ANC's three Natal branches are planning a day of protest action against KwaZulu police stations and government offices

ANC Natal Midlands spokesman Reggie Hadebe said yesterday the day of action was part of a build-up to a march on Ulundi

A committee had been established to plan the campaign and set an exact date for the day of action and a march on Ulundi

"The date is not crucial. What is crucial is that the campaign must get off the ground There is no question of head office trying to postpone the march indefinitely as has been suggested," Hadebe said

He said no plans had been made to meet Inkatha leaders, but the matter was being discussed at national and regional levels within the ANC. A meeting with President F W de Klerk was also being discussed, he said.

Hadebe said the focus of violence was being systematically shifted back to Natal because Inkatha was coming under greater public pressure in the region.

He said Inkatha had stepped up the military training of its members in preparation for a major assault on the ANC in the province

The Human Rights Commission recently reported that 125 people died in violence in Natal during September.

Sapa reports six people were wounded when a group of gunmen opened fire with pistols and AK47 rifles at commuters disembarking from a train at the Elandsfontein station in Germiston on Tuesday morning.

In a report yesterday, Witwatersrand police spokesman W/O Andy Pieke said a policeman returned fire when he was shot at, but it was unknown if any of the attackers, who fled the scene on foot, were wounded.

The injured passengers were admitted to the Willem Cruywagen Hospital in Germiston

The motive for the attack was unknown and no arrests had been made, said Pieke.

Productivity is based on labour's trust, says ANC

(172) WILSON ZWANE

LABOUR and management had to enter into a more trusting relationship in order to minimise trade-offs between a living wage and productivity growth, ANC economist Tito Mboweni said yesterday

Addressing the 36th annual convention of the Institute of Personnel Management (IPM) in Sun City, Mboweni said there was "growing room" for co-operation between management and labour. B/Day

Mboweni said if organised workers were well informed about the possibility of wage growth eroding their companies' competitiveness, they would be more prepared to "co-ordinate their wage demands with increases in productivity". 22/10/92

"This entails a totally new and trusting approach to the relationship between capital and labour. Management will have to alter its secretive stance and provide unions with detailed information about a company's economic position," Mboweni said.

He added that pressure on trade unions to identify with the goals of national development "will be considerable under a democratic government".

Govt funding needed to address unemployment

(172) B/DAY 22/10/92

MARCIA KLEIN

THE state should put R2bn into development venture capital funds every second year for 10 years as part of a solution to SA's massive unemployment problem, Small Business Development Corporation (SBDC) senior GM Jo Schwenke said yesterday

Speaking at the Institute of Personnel Management's annual conference at Sun City, he said the funds would seek out developmental opportunities that were viable, sustainable, and preferably owned by black South Africans

A fund manager would manage the fund, seek out investments, help establish the investee and remain involved until the investee was self-sufficient and profitable

Schwenke said this initiative could generate up to 50 000 or more new formal businesses with jobs for up to 2-million people

He said about 44% of SA's population was either unemployed or underemployed In addition, studies by Sacob and the SBDC had shown that less than 5% of school leavers and less than 10% of matriculants could be expected to find work in the formal economy

He said it was "frightening" that 46% of unemployed blacks were aged between 20 and 30

Competition for a fairly stagnant number of formal employment opportunities would increase, he said, and lack of efficient schooling and dedication from pupils would leave unemployment or informal employment as their only alternative.

Schwenke said there was not one solution, and SA needed supportive government policies, specific job creation programmes, a "big push by big business" to create projects, exports and foreign exchange

He said the state had to create an environment of law and order, followed by a fiscal and monetary policy which encouraged investment.

In the short term, big business should not retrench but retrain

He said that the efforts of the state and small, medium and big businesses should be co-ordinated into a single medium-term strategy, with the driving force being the promotion of entrepreneurship

BUSINESS The man who steadily climbed the ladder c

For Mike, the sky is the limit

Sowetan 22/10/92

By Joshua Raboroko

■ Mthombeni calls for aggressive affirmative action:

(172)

THE manager of the Soweto branch of Metropolitan Life, Mr Mike Mthombeni, says the corporate world must commit itself to an aggressive affirmative action programme

Mthombeni, who holds a Bachelor of Commerce degree from the University of South Africa, joins hundreds of prominent South Africans who have been calling for change in the workplace

"The corporate world will have to change its structures to suit the peoples of this country," he said

Born in Nqutu, Natal, he joined Metropolitan in 1971 as a policy salesman

Through hard work he steadily climbed the ladder of success

His hard work was rewarded in 1981 when he was promoted to branch manager

He heads a staff of 32, a job he dearly loves and works hard at.

Perseverance, enthusiasm and the search for greater knowledge has always been his motto

He says South Africa has a big shortage of black managers

He says the country would need more than 100 000 new managers before the end of the century

"I refuse to accept the myth that black managers are not available Companies should seriously look at the issue of increasing the number of their black managers by training existing staff

"Education and training are also vital for the development of our country," he said

BUSINESS How companies can help employees overcome the trauma of losing a job

Making the most for those being retrenched

Sowetan 22/10/92. (172)

The first in a series of articles on Human Resource management by senior mentors of the South African Board for Personnel Practice. By Johan Stander, Eskom Personnel Officer

IT CAN NEVER happen to me, is the thought that goes through many minds when friends, colleagues, or relatives are retrenched But it can happen to anyone from top executives to the lowest manual labourers in these tough economic times

Retrenchment is a terrible psychological blow and it has a ripple effect It does not only affect the individual concerned, but the family and other people in the workplace

This column shows how a caring company or organisation should help the individual through retrenchment and also illustrates how the individual can cope with redundancy

When a company sees falling profits, one of the options that is considered is retrenchment But it should never be thought of as the only option Retrenchment can have a very negative effect on the company itself, if it is seen as the only way to cut down on expenses

Retrenchment inevitably leads to a drop in morale among the people at all levels who are still employed and this can cause a lowering of efficiency and productivity

What are the other options for a company in difficulty?

- Look for alternatives, such as retraining employees to do another, more profitable job,
- A total ban on new recruitment,
- Stop Over time,
- Introduce shorter working hours,
- Ask for volunteers who would like to take early retirement

Only if all else fails to solve the crisis should a retrenchment programme be instituted and this should be done in as humane a way as possible

From the outset it is vital to keep the individuals who are to be retrenched fully informed each step of the way The relevant trade unions should be involved from the outset and EVERYONE in the workforce should be comprehensively briefed on developments

The importance of communication cannot be overstated A lack of communication creates a web of rumours which can have a devastating effect in these circumstances.

The Press should be openly approached over the issue, so that any stories that appear on the retrenchment programme are accurate

It is essential for the company to be clearly seen to be acting fairly The options usually considered are early retirement, voluntary separation, or the "last in, first out" method Companies and organisations should be objective in the selection of the right alternative in terms of fairness

Experienced personnel management staff should be on hand at all times to provide assistance, information and moral support where needed Financial advisers could be called in to assist with an individual's financial planning In smaller companies it may be necessary to call in outside experts on outplacement

Those employees who are to be retrenched should be informed as long as possible before their termination date

Other companies in the area who may have vacancies should be canvassed

Employees should be assisted in obtaining unemployment benefits

Where retrenched employees have cheap company housing, they should be allowed to stay there for a period - after all the houses will be empty if they leave

The company should try to help in many other ways These could include providing transport for other job interviews, writing off company loans to employees, establishing a support network and career counselling

All the services available, as well as applicable dates, should be communicated through group sessions, mass forums and weekly bulletins

No slump in salaries for executives

BY FERIAL HAFFAJEE

SOUTH AFRICAN executives have awarded themselves much higher percentage increases than their workers in the past six months, despite the slashed profits most companies are enduring in one of South Africa's worst slumps.

Chief executives earn an average of R6 658 a week or R26 600 a month according to a recent salary survey — not too bad when you consider the gloom surrounding the economy. The survey also reveals that executive perks rose by 28,8 percent over the six-month period.

Our executives are not keen to have us know what they earn — the survey done by PE Corporate Services is highly confidential.

The survey found that executives just about beat inflation with 14,7 percent increases in their basic pay. The cream of industry really cored in the "whopping" 28,8 percent increase in their bonuses, perks and share option. These perks are now worth about R2 605 a week.

"This large increase is most surprising as bonuses are normally linked to profit performance and as we all know, only a few chief executives report poor profits," says the Labour Research Service.

"Increases are usually given out of profits but executives are important enough to get increases anyway. This leaves a lending economy."

Andrew Levy and Associates found that average union settlements for the year were just below 13 percent.

Metal and mining industry workers, traditionally the best paid sectors, won increases of about nine percent. In the metal industry, struggling employers can apply to pay lower increases and in the mining industry most of the increases were linked to profit and productivity. In many sectors, employers proposed wage freezes pending an upturn in the economy.

No increase matched the Consumer Price Index, the country's most reliable measure of inflation.

A representative of the Institute of Directors would not comment on the salaries survey because "the issue is far too complex". The organisation is "too busy" with more important issues like "upliftment of black managers so they can be promoted to directors".

He also pointed out that decent packages enabled talented executives who were otherwise attracted overseas.

He said that debate over executives' salaries was like "putting plaster over the fingers of a talented surgeon".

Engen: investing in education for change

172

Sowetan 24/10-28/10/92

ENGEN places a high priority on investing in education to promote change and development in South Africa According to its social investment co-ordinator, Dr Des Roberts, this investment takes several forms and is aimed at both supporting education and encouraging other companies to become involved in this form of social investment

This is particularly noticeable in the Engen Education Programme, which aims to provide extra tuition in maths, science and English to pupils from Std 6 to 10 for 20 Saturdays a year

Of the more than 500 pupils who attend these extra classes, about 13 percent are children of employees at the Engen head office in Cape Town and refinery in Durban The rest have been selected from local community schools such as Stembele Matuso in New Crossroads in Cape Town, or come from other companies who pay for children of their employees to attend the Engen classes

Students at an Engen Education Programme at Worcester

"In Cape Town, there are now 167 students from 20 different schools and 20 different companies attending these classes," said Roberts.

"It makes sense for other companies to piggy-back on the basic courses and tutors we provide, making use of University of Cape Town facilities, rather than trying to start their own programmes"

Engen has also started a programme in Worcester and has advised companies in other parts of the country on how to set up similar programmes

Des Roberts

The main rationale for the programme was the fact that research by Roberts had shown while there was an over-supply of black, coloured and Indian matriculants, few had studied maths or science and many had trouble with spoken and written English Those who did study maths or science were hampered by a lack of laboratory equipment with which to conduct experiments and basics such as textbooks

The three subjects were seen as being vital to enabling black students to secure training and employment opportunities at a time of rapidly changing technologies — and to meet South Africa's future labour needs

During their Saturday sessions, which last from 9am to 1pm, students are given intensive tutoring, provided with study notes to make up for the lack of textbooks at their schools and can use laboratory equipment at UCT or the University of Natal to carry out experiments

"From next year, we hope to take the programme to areas such as Crossroads as well, where we could provide a resource centre with all the necessary equipment and cater for more students," said Roberts

Not surprisingly, there is a great demand for the classes and Engen cannot take on all the students selected by communities As a result, any student who fails to attend classes for three weeks in a row is automatically disqualified and another is taken on

A winter school is also organised for the matriculants in the programme. This lasts a week and issues covered include career guidance and study skills

Engen's other investments in education include

EDUCATIONAL ASSISTANCE FOR EMPLOYEES

This takes place at two levels

- Grants to help employees educate children
- Grants to help employees themselves to study part-time

Engen pays its employees up to R6 000 a child a year at university or technikon, R550 a year for each child in secondary schools, R300 a year for each child in primary school and R150 a year for each child in pre-primary school

"Our motivation is that we want all of our employees to be aware of the importance of education and to make it easier for them to educate their children," said Roberts

Engen is supporting the education of more than 1 000 children of employees in this way in Cape Town alone this year

Employees are also encouraged to do part-time studies related to their work, with Engen paying all their fees If they pass their courses, the fees are written off as grants — but if they fail, they have to pay the money back.

BURSARIES

The Engen bursary scheme was started in 1986 and this year supports nearly 80 students country-wide at a cost of about R16 000 each (depending on where they are studying)

The bursaries are granted for either commerce/computer science-related degrees by the Engen marketing division, or for chemical, mechanical and electrical engineering degrees by the Engen refinery

Students supported by Engen are expected to work for the company once they graduate, but are not tied down for any set period This is because they have so far been quite happy to stay on with Engen. If a students wants to study further in another discipline once the degree supported by Engen has been completed, the bursary can be written off as a grant. In the few cases where Engen cannot place graduates, the disciplines they have studied enable them to easily find jobs

A mentoring programme was introduced last year to help students develop time management, study methods and objective setting skills This has improved the pass rate of the bursary holders.

ENERGOS FOUNDATION

With a budget of more than R10-million a year, this foundation is funded by Engen but operates independently under its own board About 50 percent of its annual budget is spent on education projects around the country, with the rest going to community and entrepreneurial development programmes

This makes the foundation one of the biggest funders in the education field and projects supported include the South African Association for Early Childhood Educare, Learn and Teach, READ, Teacher Opportunity Programmes, Careers Research and Information Centre and a wide range of community-based education projects

The foundation believes that transformation in South Africa will be best achieved through an holistic approach to development It therefore aims to integrate the activities of its education, entrepreneurial development and community development units, and will encourage a similar approach in communities with which it co-operates All projects and programmes are undertaken in close consultation with communities

Developing business skills

Sowth 24/10/ – 28/10/92

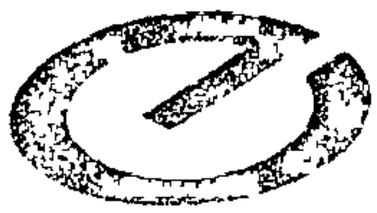
ENGEN'S Employee Care Programme focuses on helping employees and their families with personal problems and helping them to develop important life skills

According to the co-ordinator of the programme, Mrs Ann Bennetts, one of the life skills children in particular are seldom exposed to is an appreciation of what the business world is all about - and how they will fit into it In these days of rising unemployement and the growing emphasis on school-leavers considering self-employment if they want any employment at all, this is obviously a major gap in the present education system

Mrs Bennetts therefore decided to offer a special programme to introduce children to business, and hopes to be able to offer other life skills programmes soon

She recruited Dyna Industrial Training and Development to run its Business Sense programme and the first one-day session was held last Saturday with another planned for next weekend Of those who attended, 60 percent were the children of employees, 20 percent came from the Engen Education Programme and the rest were invited from the local community

The course is designed to dispel, in a practical and exciting way, the very many misunderstandings and misconceptions that exist among employees as well as students about business and what happens to the money made in businesses



Research shows the following common misconceptions among employees and students alike

- if a company needs money, the managing director writes out a cheque and the government sends the cash
- all the money received from customers is profit
- the cost of running a business is minimal (many do not ever realise that it does cost money to run a business)
- companies do not pay tax
- deductions from pay cheques are used to pay for company cars
- the relationship between performance and expenses, wages, income, overheads, raw materials, costs, the product and the customer, are not realised or understood Nor are the consequences of low productivity, poor customer service, competition, rejects, absenteeism, overtime, wages increases or strikes
- the basic facts about marketing, banks, loans, loan repayments, collateral, income tax, company tax, shareholders and profit and loss

Business Sense therefore aims to introduce employees and school pupils to the basics of business in a very straightforward, simple but exciting way without trying to promote any -isms

Dyna managing director Mr Keith Bertish has strong feelings about what he calls "real learning"

"True learning for employees or students should be learner-driven, measurable, competency-based, competitive - and fun So many organisations and institutions seem to take simple things and ideas and make them more complicated We pride ourselves is taking complicated things and making them simple - and fun "

The winning company with one of their adverts

Buying and selling

When the 21 students arrived at Engen Court last Saturday to attend the course, they were split up into separate teams Care was taken to ensure that each team was made up of students from different schools

Each team represented a separate "business" and the students had to set up their "companies", develop company names and logos, and select what products they were going to make under what brand-names

They each received a manual containing reference material which had been carefully researched to provide important basic information and business principles in a simple, brief and interesting manner The students were encouraged to use this material to help them make important business decisions throughout the day. As in normal business, good decisions brought them good business results - and increased their income The business that made the most money was the winner of the day

The businesses worked with very real-looking "money" and each company had an accountant, who kept the books They had to draw up a budget and go to a bank manager for a loan to start up their business If the loan was approved, they had to learn about providing collateral - one enterprising students even offered one of his parents as "security"! Not all the bank loans were approved and the teams had to do some more creative thinking about their budgets

Once they had the loan, they bought raw materials and equipment to make their products A factory hooter was started and manufacturing started in earnest At the end of a manufacturing month (about 45 minutes), the hooter sounded again and the teams had to sell their products Sometimes they received good prices, but other times some of their products were rejected for being sub-standard

With the money received, the businesses had to pay the rent, wages, electricity, telephone, PAYE, pensions, loan repayments and the like They then bought more materials and started making their products again

A progress chart recorded each business's progress in terms of income and expenses, including a "monthly" business graph which showed how their business was doing The teams not only had to keep their charts up to date, but also keep a watchful eye on their opponents' charts

The atmosphere was electric as students became so caught up in the business that they competed with each other and started to think of their businesses as being REAL

Adding to this reality and the excitement, they also dealt with typical business crises such as power failures and absenteeism as well as experiencing the effects of quality control, wage increases and negotiations, rent increases and material supply problems

They also learnt that the business that usually does the best not only makes the best business decisions, but also works best as a team, operating efficiently and using all its members to the full

At the end of the day, in cashing-up, they dealt with taxes, shareholders, loan repayments and profit and loss

Typical comments made by the students about the course included

- I think that this study method is great
- This is the greatest way to learn
- This was the most exciting and educating course I have ever attended
- This programme was excellent and will be especially good for blacks because we need more skills in business Please invite more students from the townships
- Thank you Engen for a wonderful opportunity and a wonderful day

Whole page (172)

(172)

Business Day SURVEY

Women are a resource traditionally overlooked or treated as lesser beings in the workplace. The SA Federation of Business and Professional Women's Gold Awards, which praise firms making improvements for their women staff, seeks to change that. ***JONO WATERS*** *talks to entrants.*

Cutting out sexism helps 'raise cream'

NEDCOR might not win the Gold Award this year, but it believes the company will win the award in 1994

Research executive Martha Boeyens says the group is making progress in advancing women Recently a group of women got together and decided to do whatever was needed to win the award in two years' time

Boeyens hopes it will not only be a female initiative

Nedcor fully supports woman advancement, but would not force anyone ahead Boeyens says employees are given internal training and offered the chance to further their education with bursary assistance from the firm

"Every facet of the company that was construed as being sexist or racist has been removed"

What Nedcor is doing, Boeyens says, is based on sound human resource planning "If people are given equal opportunities, the cream will rise"

Progress

Nedcor does not support tokenism "Rather, create opportunites for those who have been disadvantaged, and then it's up to the individual to climb the corporate ladder," she says

While black women are making progress in the organisation, it was not very "dramatic" There are a number of women in managerial positions, but as Boeyens points out, the education crisis has made it hard to find well-qualified black people for the job

Women make up about 60% of Nedcor's staff complement Within the organisation there is a general consensus that women can and do make meaningful contributions to the world of finance.

Boeyens says the traditional bank manager playing golf with his male customers is changing because the profile of the bank's clientele is changing.

SA banks are not havens of male chauvinism, as some people believe, she says.

She recently visited banks in Germany, Belgium and Holland, and says progression through the ranks there is planned more conservatively than at Nedcor.

Fedsure human resources GM Penny Krige

Fedsure's open culture pays off

"WE ARE masters of own destiny," are the introductory words in Fedsure's vision statement

Fedsure believes the installation of a culture of growth through achievement and based on merit is one of the most important contributors to the success of women in the company

The change in the company's outlook has come about as a result of the equalisation of pay and benefits on the grounds of both gender and race and a change in the representation of women in the middle and upper levels of management

Penny Krige, who heads the group's human resources division, is the most senior woman in the organisation She says Fedsure's goal-orientated culture has unlocked the potential of women staff and resulted in women climbing their way to key operational levels

Some of Fesure's best, from left: Colette Bennett (nominated for the CE's Award 1992), Sandra David, Joan Smith (winner 1989), Lynda Brest (winner 1991), Robyn Bloom (winner 1990) and Martie Lane.

Krige has seen rapid changes in Fedsure during the past few years "Five years ago, maternity leave was a privilege, not a right" Today, employees have to be in Fedsure's service for less than a year to qualify for four months' paid maternity leave

The group also employs a full-time nurse who oversees a health care programme, which includes the early detection and prevention of breast cancer and infant nutrition for women returning to work

But a great deal more has changed Eight years ago at Fedsure

- ☐ Women did not qualify for bonds,
- ☐ Medical aid was available only to single women,
- ☐ Disability payments were available only to male staff
- ☐ The retirement age for women was 60, compared to 65 for men,
- ☐ The most senior woman in the organisation was in junior management, and
- ☐ There was no programme in place to monitor and rectify the effects of discrimination on staff progress and development

Fedsure has also involved itself in promoting women in the workplace generally by sponsoring the Johannesburg branch of Womanpower

The group assisted in bringing out two women from the UK who held seminars on women in the workplace in July

The problem of violence on trains prompted a woman member of staff to organise a committee to liaise with managment to contract taxis to ferry black staffers to work

Fedsure also has a study incentive scheme Children of employees also benefit as the group runs classes on business practices during the holidays

"Winnning the Gold Award," Krige believes, "will confirm we are on the right track."

SPL emphasis is on quality, not gender

COMPUTER software and services group SPL has established a culture where quality of work is valued in a non-sexist environment

"We employ people for their skills and expertise and not their gender," says SPL group MD Lewis Folb

He says the computer industry is a relatively young one — without any traditional attitudes towards or against women

Thali Veillos, who heads one of its divisions, Computerised Personnel Systems (CPS), says her company often assigns women consultants to traditionally male-dominated clients such as banks

"Often their competence as well as the decision to hand the responsibility for the implementation of human resource management systems to a woman has been queried"

Veillos says her response has been to say give the person a chance to demonstrate her ability and inevitably when the job was completed, CPS would receive a call thanking the company and commending them on the quality of the work

Freedom

SPL allows great personal freedom People have their objectives, and are given the opportunity to achieve them without constant supervision

Trust is an implicit principle, and SPL believes this encourages self-management and self-motivation

"There is no form of discrimination here whatsoever If you do your job and do it well you will achieve both recognition and reward," says Veillos

In SPL, the women employees outnumber the men, but this is not unusual for a number of companies

SPL executives, from left, Rene Jacobs, support systems division management head, MD Thalia Veillos; and group director Emmie Heyn.

What is unusual is that there are five female directors compared to six male directors

Working in the company has changed the perceptions of many men regarding just how successful women can be

In SPL, men can see that women perform equally well, attain senior management positions and fill them as effectively

SPL believes this culture of acceptance is carried to the marketplace and changes perceptions in other companies

Despite having only 500 employees, SPL has a creche at its premises in Rivonia

Care is offered for children of both men and women employees

Creche

They have access to their children at any time

The creche accomodates babies from the age of three months to three years

Folb says SPL's primary objective is to provide an environment which allows people to grow and offer the best of themselves

"The creche gives our employees an infrastructure which allows them peace of mind and supports their careers," he says.

Staff development keeps Unidata moving

UNIDATA believes all people exposed to the same possibilities will achieve the same recognition.

Marketing services manager Sue van Oppell says Unidata does not pay lip service to equal opportunities, and is in fact "walking the talk".

She says the computer company has a number of women in management positions. They have a voice in the decision-making process. The company employs 1 284 people, the majority of whom are in the standard grade There are 38 women managers out of a total of 311

"Women are actively involved in the strategic process and future direction of Unidata, and there is growing awareness of the valuable contribution they are making to the company." Merit is the only criteria for promotion and fringe benefits such as a car allowance, preferential housing, and car rates and rental schemes.

"The women are given equal opportunities to show their worth, by holding management positions in the company, through presentations to colleagues, and building their own credibility," says Van Oppell.

In the training field, the company's focus is on personnel development Unidata has established a Corporate College under the leadership of Karen Toombs. Local training has dealt with communication, presentation skills, speed reading, marketing, leadership and mind management.

Sacob convention backs federal political solution

B/DAY 28/10/92

SHARON WOOD

DURBAN — Organised business put its weight behind a federal political solution here yesterday.

Chambers of commerce from across the country unanimously endorsed the Durban Chamber of Commerce's proposal for federalism at the Sacob convention here yesterday

A spokesman for the Durban Chamber said a federal system was the only viable option for a stable and prosperous SA

"A unitary system has not served the country well in the past centralised power is unhealthy and will be easily abused"

The chamber proposed a form of federalism where regional powers were constitutionally entrenched and could only be amended by a specific constitutional mechanism, such as a two-thirds majority.

Decisions made at a local level would be more efficient and effective and would be closer to the people being governed There would also be better utilisation of resources at a regional level

Constitutional Development Deputy Minister Tertius Delport endorsed the motion He said both vertical and horizontal distribution would inspire confidence

He added government wanted to see multiparty negotiations back on track because they were the only route to developing a new constitution

The government was ready to start drafting a new constitution which would be structured on national, regional and local levels.

Finance Department director-general Gerhard Croeser also endorsed the Durban Chamber of Commerce motion He said the crux of the problem had been the centralised system of financing.

Croeser added someone would have to oversee and facilitate the distribution of resources and there would have to be some form of redistribution to poorer regions

The Durban Chamber proposed a two-tier system of financing A central government structure would disburse funds nationally to the lesser privileged sectors of the community. But regions would have to have a reasonable degree of financial independence.

The Pretoria Chamber of Commerce called for the implementation of a foreign trade policy and implementation of the major elements of the IDC report on modifying protection policy This motion was also unanimously accepted by delegates

A spokesman for the Pretoria Chamber said there was insufficient co-ordination within trade policy and the current reliability of export incentives could be doubted

Long-term export success was going to depend on the availability of internationally competitive products and the stimulation of a broad-based export culture.

Trade and Industry director-general Stef Naude said industrial and trade policy would have to be managed very carefully and cautiously because there was a limit to the pain a country could take.

TPA looks to incorporate private land into reserves

B/DAY 28/10/92

GAVIN DU VENAGE

THE TPA was examining the viability of incorporating tracts of private land into provincial reserves, Transvaal Administrator Danie Hough said at the opening of the Wild Expo 92 in Pretoria yesterday.

Provincial conservation authorities already administered 11% of the Transvaal, of which 17% was under private management. There were 450 nature reserves, 1 600 game farms and seven conservancies already in private hands, he said.

Hough said that while it was important to harness the private sector's capital and expertise, tremendous economic and manpower restrictions demanded a new approach with the state as facilitator.

He saw ecotourism playing an increasingly important role in drawing overseas visitors to SA.

Overseas and local hunters paid more than R250m each year to shoot game, while other tourists brought in an additional R30m to see animals in their natural habitat.

Protection of natural resources against exploitation had to be guarded against, said Hough

GERALD REILLY reports from Pretoria that more than R15bn was invested in SA's wildlife ranching industry, Agriculture Minister Kraai van Niekerk said yesterday

Opening an international wildlife symposium at the CSIR, he said the industry earned more than R335m a year from hunting, live sales and tourism.

It served about 50 000 local hunters and included 400 professional hunting guides who looked after more than 4 000 foreign hunters a year.

The hunters were a vital tourism component, spending up to four times as much as the average tourist, who spent about R4 900 a visit excluding airfares.

Forex earnings exceeded R2,5bn and were on a par with agriculture's foreign earnings.

It also vied for fourth place after manufactured goods, gold and mining and contributed 2% towards GDP.

New KLM flight to Cape Town

STEPHANE BOTHMA

KLM Royal Dutch Airlines' plans to expand its market share of air travel and cargo to and from SA will be launched today with its inaugural flight to Cape Town.

Gulf Air will also start flying twice a week from Adu Dhabi to Johannesburg, beginning in December. B/DAY 28/10/92

For the first month of operations the airline would offer fares reduced by 50%, Gulf Air vice-president marketing Mohamed Al Shafie said at a news conference yesterday.

KLM was planning an additional weekly flight for 1994 and in the medium to long term expected to operate a daily service, KLM president Pieter Bouw said yesterday. 28/10/92

Gulf Air expected to announce a third weekly flight by March next year, said Al Shafie.

At this stage, no reciprocal service would be operated by SAA, he said, adding that no joint venture existed between the two airlines.

Angolan talks 'making good progress'

B/DAY 28/10/92

LUANDA — Talks on arranging a reconciliation summit between Angolan President Jose Eduardo dos Santos and opposition leader Jonas Savimbi were making good progress, officials said yesterday.

Deputy Foreign Minister Venancio de Moura said that in four days of talks with senior officials of Savimbi's Unita movement, the two sides

of power even if he lost the second round of the presidential election.

Unita lost UN-supervised presidential and parliamentary elections on September 29 and 30 that were supposed to set the seal on a peace agreement ending 16 years of civil war.

Diplomats say Savimbi is demanding guarantees of power in a govern-

Silva said since the elections the capital had been swept by a wave of politically motivated crime which his forces had been unable to control. Da Silva told journalists police had arrested 135 people during the last three weeks for carrying arms ranging from pistols to 81mm mortars. Even in normal times, the crackle of gunfire associated with banditry echoes through Luanda at night.

Whole page (172)

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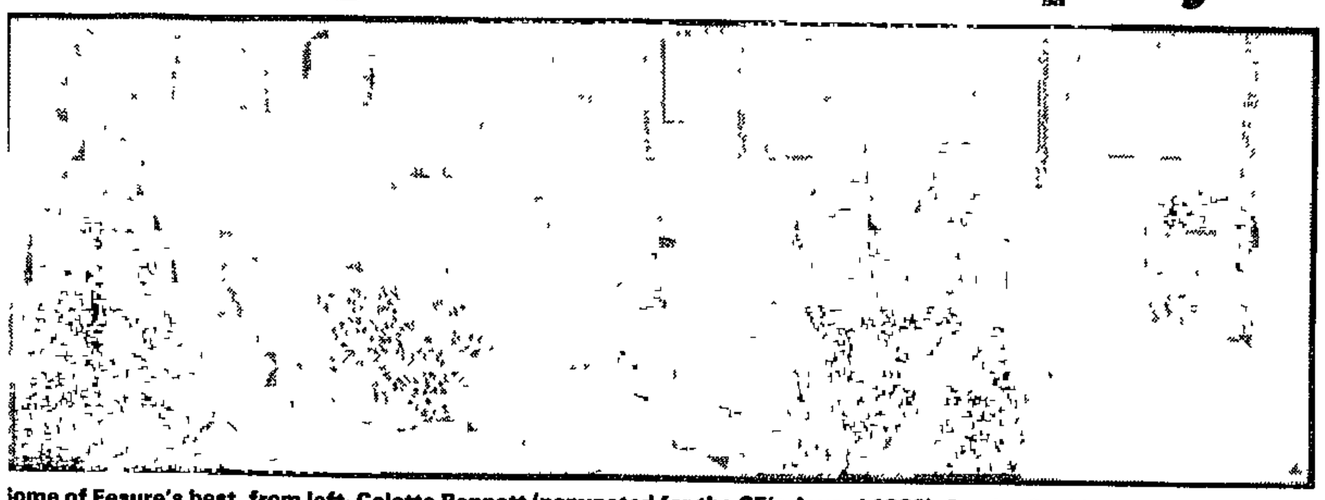
(172)

re's open culture pays off



Some of Fesure's best, from left: Colette Bennett (nominated for the CE's Award 1992), Sandra David, Joan Smith (winner 1989), Lynda Brest (winner 1991), Robyn Bloom (winner 1990) and Martie Lane.

nd resulted in women limbing their way to key perational levels

Krige has seen rapid hanges in Fedsure during ie past few years "Five ears ago, maternity leave 'as a privilege, not a ght" Today, employees ave to be in Fedsure's service for less than a year to qualify for four months' paid maternity leave

The group also employs a full-time nurse who oversees a health care programme, which includes the early detection and prevention of breast cancer and infant nutrition for women returning to work

But a great deal more has changed Eight years ago at Fedsure

☐ Women did not qualify for bonds,

☐ Medical aid was available only to single women,

☐ Disability payments were available only to male staff

☐ The retirement age for women was 60, compared to 65 for men,

☐ The most senior woman in the organisation was in junior management, and

☐ There was no programme in place to monitor and rectify the effects of discrimination on staff progress and development

Fedsure has also involved itself in promoting women in the workplace generally by sponsoring the Johannesburg branch of Womanpower

The group assisted in bringing out two women from the UK who held seminars on women in the workplace in July

The problem of violence on trains prompted a woman member of staff to organise a committee to liaise with managment to contract taxis to ferry black staffers to work

Fedsure also has a study incentive scheme Children of employees also benefit as the group runs classes on business practices during the holidays

"Winnning the Gold Award," Krige believes, "will confirm we are on the right track"

uality, not gender

acobs, support systems division management head, MD s, and group director Emmie Heyn

ectors

Working in the company s changed the percepns of many men regard- just how successful men can be

In SPL, men can see that women perform equally well, attain senior management positions and fill them as effectively

SPL believes this culture of acceptance is carried to the marketplace and changes perceptions in other companies

Despite having only 500 employees, SPL has a creche at its premises in Rivonia

Care is offered for children of both men and women employees

Creche

They have access to their children at any time

The creche accomodates babies from the age of three months to three years

Folb says SPL's primary objective is to provide an environment which allows people to grow and offer the best of themselves

"The creche gives our employees an infrastructure which allows them peace of mind and supports their careers," he says

Staff development keeps Unidata moving

UNIDATA believes all people exposed to the same possibilities will achieve the same recognition.

Marketing services manager Sue van Oppell says Unidata does not pay lip service to equal opportunities, and is in fact "walking the talk"

She says the computer company has a number of women in management positions They have a voice in the decision-making process. The company employs 1 284 people, the majority of whom are in the standard grade. There are 38 women managers out of a total of 311

"Women are actively involved in the strategic process and future direction of Unidata, and there is growing awareness of the valuable contribution they are making to the company " Merit is the only criteria for promotion and fringe benefits such as a car allowance, preferential housing, and car rates and rental schemes

"The women are given equal opportunities to show their worth, by holding management positions in the company, through presentations to colleagues, and building their own credibility," says Van Oppell.

In the training field, the company's focus is on personnel development Unidata has established a Corporate College under the leadership of Karen Toombs Local training has dealt with communication, presentation skills, speed reading, marketing, leadership and mind management.

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SA Federation of Business and Professional Women

BIDAY 28/10/92 (172)

CREDIT TO AVROY SHLAIN'S STAFF

AVROY Shlain has built a successful cosmetics company, and much of the credit goes to the people he employs

They are not the stereotype of the young blonde beauty marketing cosmetics to other beautiful women. Shlain actually employs a number of mothers who have returned to work after their children have flown the nest.

These women are extensively trained in programmes that Shlain says are "geared to optimise the potential of each individual employee"

Shlain says they earn thousands a month, but this is not where the company leaves its employees It also teaches them time management and how to manage the money they earn

Avroy Shlain has been a finalist in the Business Day Non Listed company award since its inception and the Gold Award during the past few years.

As an equal opportunity employer, Shlain believes the company has been instrumental in enabling women to overcome the barriers that previously limited their scope

"The modern woman demands a degree of financial independence while reserving her rights as a mother and a homemaker," he says

Big achievers are further rewarded by invitations to beauty conventions worldwide.

The research and development section of the group is almost fully run by women. Shlain says his laboratories retain the leading edge in the marketplace and the company's expertise in the prevention of sun damage to the skin is internationally recognised

The organisation is represented in 20 countries and has more than 200 beauty products. The majority of the 200 people employed at its head office are women, and an additional 6 000 operators are associated with the company

Recent progress is what counts — judges

NEDCOR Bank executive GM Philip Bacchioni is chief judge of the Gold Awards for the third year in a row He was a judge in the previous two years.

Bacchioni notes that there are not as many entries for the award this year, which he believes has a bit to do with the recession

He says the panel gives weight to those companies which operate in industries that are traditionally male dominated.

Bacchioni says the criteria they look for include.

- How far woman have progressed in the operation, but more significantly, how far up the status ladder
- Progress achieved in the past year, since some companies which had made gains are now "resting on their laurels",
- The differentiation of treatment in the areas of maternity leave and fringe benefits, and
- The organisation's attitude to its workforce in general and its woman in particular

Fellow judge and Fair Lady associate editor Sue Grant Marshall says they look for specific improvements in performances

"The Gold Award is an occasion to praise the good guys for the improvements they make for their women staff"

Marshall, who helped launch the award when she was working at The Star in the early 1980s, has been a judge for the past two years

Companies that appear from year to year still have room for improvement, she says

"Once their boards are 50% women, then there is little room to improve."

Marshall confidently predicts that within 15 years the Gold Award will be extinct as 50% of executive positions will be filled by women.

"There is a worldwide trend showing that more and more women are coming into the workplace and climbing up the corporate ladder,' she says.

● BACCHIONI

Another judge, Innes Labour Brief director Duncan Innes, says he feels the Gold Award needs to become more "sophisticated"

Splitting it into a small company award and a large company award might be a step in the right direction

He says big companies have an advantage as they have a great deal more resources at their disposal for helping the advancement of women

Innes says that in judging he looks for companies which provide a support structure for women and enable them to compete on an equal basis with men.

He says this is different from companies which promote women at the expense of men

Wits University central television services director Kate Turkington says the fact that some entries have been too long gives her the impression "the woman doth protest too much" Others have been scrappy and not done in a very professional way

Some also do not provide very much hard data, she says.

Olivetti bridges gap between home, work

OLIVETTI Information Technology MD Rob Salvado allows employees who are pregnant to work from home

Salvado says Olivetti cannot afford to lose resources, and this is a way of recovering resources which otherwise would be wasted At any one stage three to four people, usually women, out of the total staff complement of 54, work from home.

He says the company sets up a terminal at the individual's home and pays for the phone bill. "Nature is such that we reproduce, but technology can bridge the gap between the company and the home"

A customer can phone up the individual at home and the employee can lock into the client's company

"The woman is as productive at home as she would be in the office."

Salvado says it works extremely well and suggests that a national grid of such computer operators be established as there are literally thousands of programmers whose skills could be sold "The product is such that anyone could market their services from home"

As well as recovering "wasted resources', he says it also allows for the individual to make use of an elastic resource 'In other words, a woman — or for that matter a man — can work after supper, or at four in the morning if they can't sleep" He adds that you can get more out of working at home than an eight-to-five job

Salvado says the key to letting people work from home is finding the right individuals.

"We do not run a men's club, and we employ highly skilled women" Olivetti believes the award is worth its weight in gold

Breweries drive for equality

EQUAL opportunities programmes are an established part of the way SA Breweries (SAB) beer division manages its business.

In 1974, first-line supervisory positions in the beer division were occupied by blacks Eighteen months ago, SAB included a focus on a women's equality programme.

Human resources director Richard Davies maintains that even though the focus is on equity, the best person for the job is still appointed. Window dressing has no place in the organisation

Salaries and fringe benefits are not discriminatory in any way He says SAB is a good company to work for and this is evidenced by the low turnover in labour

Six executive managers in the beer division are women and so is the chief chemist and the head of tax.

Most of the research and development employees are highly qualified women and, on the other end of the scale, a number of sales representatives are also female.

Gender myths don't limit SA diplomats

THE Department of Foreign Affairs is the first government department to enter for the Gold Award.

The department has 74 missions spread throughout the world, with a number of women diplomats in charge

The new Foreign Affairs director-general Rusty Evans, who took office at the beginning of this month, says the department has followed a strict policy of non-discrimination for a number of years now as a personal directive from Minister Pik Botha

Evans has slowly made his way up through the department since he joined it in 1966, so he has seen the changing status of women. He negotiated the release of Maj Wynand du Toit and played a major role in Angolan peace negotiations A personal triumph for him was arranging overflight rights for SAA. This saved the corporation about R100m annually

"Foreign Affairs," says Evans, "is not the glamourised job people make it out to be." Diplomats — especially as SA is gaining international recognition — have to cope with extremely difficult situations in countries where SA has previously had no diplomatic contacts

● EVANS

On the issue of women diplomats, Evans says that previously if both partners in a marriage were career diplomats one — usually the woman — had to relinquish her career to augment the role of her diplomat husband. This has now changed Husband and-wife teams are now being taken into consideration for diplomatic postings abroad. "We try to accommodate married couples in certain missions."

He says often there are not two vacant posts at the same mission. However, recently two husband and-wife teams have been sent abroad to establish missions in Kiev and St Petersburg

Most of the department's diplomats are highly qualified Deputy director Bella Harrison, formerly of TV News, holds two honours degrees "The prestigious role of diplomat is open, on merit, to all, irrespective of gender, creed or race."

She believes the department, through its progressive policy of equality for all employees, has made it one of the most respected government departments to work for

Diplomats have to be extremely skilled Some of the best results have come from the young women

Evans says Botha, in his budget vote for the department earlier this year, read an extract from a piece of work from a young black woman diplomat, which Evans says "summed up exactly what the department was about"

She wrote, "We have the opportunity to improve the fate of our people. We have the duty to fulfil our destiny in Africa and to establish an appropriate world role, probably far more meaningful than we can imagine. This is our hope and this is our challenge — we as young representatives of our country will not be caught unprepared or idle."

A voice uniting women

THE SA Federation of Business and Professional Women (SAFBPW) was established in 1948 and is affiliated to the international federation founded in Geneva in 1930 by Dr Lena Madesin Phillips.

The Gold Award has been made for the last 11 years. Judging takes into consideration the nature and complexity of employment organisation, workforce composition, equal pay for equal work; equality in fringe benefits; training opportunities and the attitudes and policies geared towards women employees.

There are more than 250 000 members in the IFBPW, in more than 63 countries.

The SAFBPW is designed to help organise business and professional women.

- To use their combined abilities and strengths to work for high standards of service;

Stimulate

- To stimulate and encourage in women a realisation and acceptance of their responsibilities to the community, locally as well as nationally;
- To encourage women and girls to acquire occupational training and advanced education,
- To use their skills and intelligence for the advantage of others as well as themselves;
- To work for equal opportunities and status for women in the economic, civil and political life of the country;
- To collect and present the views of business and professional women to government and other official bodies; and
- To promote friendly relations and understanding among business and professional women of all countries

● WALMSLEY

At DHL all staff are made to feel important

WORLDWIDE courier group DHL is committed to promoting women who show managerial promise because it realises the importance of women in the workplace.

Cape Town branch manager Charmaine Walmsley says the company respects a woman's input and makes the females in the company feel as important as their male counterparts.

Half of the company's executive are woman, in spite of women only making up 40% of the workforce. The positions include finance manager and national service manager

The company offers both maternity and paternity leave and salary differentials, as a result of historical reasons, were slowly being closed.

Dalsey Hillblom and Lynn (DHL) was started in 1969, when the company recognised a need for the couriering of documents in the maritime industry

In 1979, DHL set up an office with four employees in Johannesburg Thirteen years later it has 341 employees in SA. The group now has 28 000 employees worldwide.

Keen judgment keeps Sales

Do you remember the first time

SA Federation of Business and Professional Women

Driven by a mutual respect

B/DAY 28/10/92

LAST year's winners of the Gold Award, Southern Life, believes its corporate philosphy and culture creates a working environment that is conducive to bringing out the best in all its staff

In its 27 page submission to the Gold Award judges, Southern outlined what exactly it had brought out in its staff "given the necessary flexibility and freedom to achieve the maximum they are capable of achieving", says public relations manager Sue Snow

In the company's benefits division, the Marketer of the Year was a woman, as was the winner of the Chairman's Award, and of the 24 contributors of the month 10 were female.

"Southern is gender blind," says Snow This is evidenced by the fact that superior-subordinate relationships within the company, irrespective of the genders involved, are characterised by mutual respect and appreciation.

"We even have two males in secretarial positions at Southern."

At the top in Southern Life: from back left, Margaret Stevenson (corporate actuarial), Jennifer Praiss (legal and tax services senior manager), Brenda Doyle (assistant GM), Virginia Ogilvie-Thompson (Southern Foundation executive director), Trish Acton (computer audit senior manager), Ann Roux (employee benefits senior manager

At the same time an increasing number of women are being appointed to positions in areas previously regarded as all male domains

Snow gives examples of store clerks security guards and technicians

Southern statistics on professional women are impressive. three out of the five full-time actuaries in SA work for the company one of its two economists is a woman, and out of a total of 36 underwriters 27 are women

"Since 1988, Southern has been addressing the need for improved communication and enhanced relationships in the workplace via a specially developed programme called Equity," says Snow

The programme covers differences in perceptions between cultural and religious groupings, between management and non-managerial staff, as well as between men and women

Snow says this gives the 260 participants, evenly split between men and women, the opportunity to exchange ideas and share insights, beliefs and values.

Southern also looks after its employees through an employee care programme which provides staff with a 24-hour service to help them with financial-related dilemmas as well as drug and alcohol abuse, bereavement, depression, divorce, health, stress, suicide violence, personal growth and personal relationships

Spoor & Fisher's act is balanced

B/DAY 28/10/92

SOME companies look after their employees better than others but few look after their women better than others

Patent, trade marks and copyright lawyers Spoor & Fisher have a number of women who only work half-days

The half-day does not apply only for their highly qualified female lawyers but includes other members of the firm. The practice has two women partners and in its staff complement of 140 more than two-thirds are women

Personnel manager Sue Scott believes that being allowed to work half-days gives the women a chance to find a balance between family and job and benefits the company as it does not lose its highly qualified employees.

"Spoor & Fisher is constantly looking at any ways or means to make the firm an equal opportunity employer in the full sense of the words.

Spoor & Fisher's Jean Helvor, Alison Dyer, Mariaan Murphy Sue Scott and Pauline Adam

Alison Dyer is one of the very few lawyers in SA who specialises in chemical metallugical and biochemical patents She is also the co-author of a book on patents, forms and precedents

Dyer, like most lawyers who deal in scientific patents, has a BSc (Hons) in chemistry and an LLB cum laude

Jean McIvor is also a partner and deals in general trade marks and copyright She has an LLM from Cambridge

Spoor & Fisher has a number of housewives working flexible hours They can fill in for other staff members who are on leave

Scott says most of the housewives have not been in the working environment for a number of years and so it allows them to gain experience whilst still fulfilling the needs at home

The practice also grants maternity leave to its employees

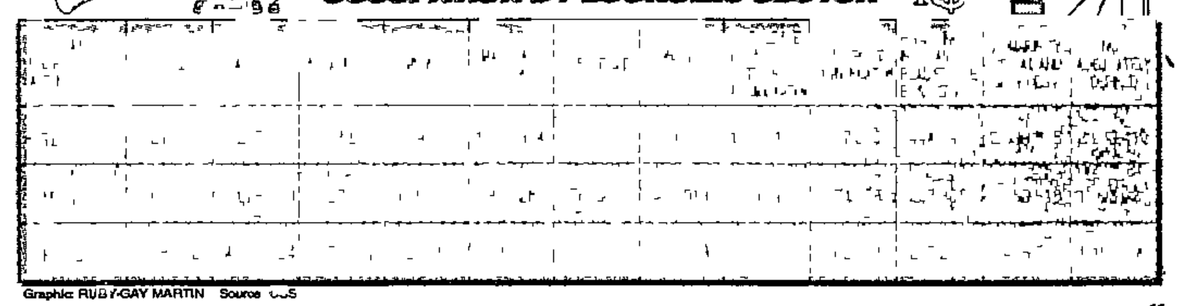
The firm was founded in 1920 in Johannesburg and has offices in Johannesburg and Pretoria

Its activities include licencing litigation and valuations relating to intellectual property (patents, trademarks designs and copyright), passing-off and unlawful competition.

Who gets what in the workplace

B/DAY 28/10/92

OCCUPATION BY ECONOMIC SECTOR R$



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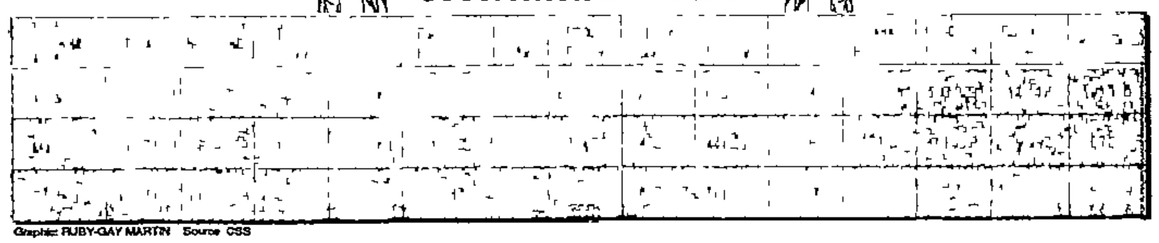
OCCUPATION BY INCOME



Graphic: RUBY-GAY MARTIN Source CSS

SA Federation of Business and Professional Women

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Last year's win gave us a boost — Southern

B/Day 28/10/92

WINNING the Gold Award in 1991 has done a great deal to enhance the image of the company in the eyes of the Southern Life employees, the purchasing public and prospective female employees, MD Jan Calitz says.

It has been a source of immense pride and pleasure to everyone at Southern, he says

"But while it has been wonderful to receive official recognition for our achievements in the sphere of female advancement, it has also made us ultra aware of our enormous responsibilities as an employer of significant numbers of disadvantaged employees from other groupings in the SA workplace."

Calitz says the award has given the group a "huge incentive" not only to maintain the positive growth climate Southern has created for women, but also to devise new ways of empowering the full spectrum of the group's staff, "enabling them to all realise their true potential"

His sentiments are echoed by Southern's women staffers

Deputy GM Brenda Doyle says Southern is a large organisation with a "small-company ethos"

She says she has never encountered any form of discrimination against women. "People are respected for their contribution to the company and encouraged to attain their maximum potential"

Award raises awareness of responsibilities . . . Calitz

Assistant GM Jenny Carter says whatever opportunites arise in the organisation are open to women

"If I have the ability and enthusiasm to do something, I am confident that I will be taken seriously"

She says that while there is still the continuing challenge of confronting "ingrained male prejudice" on the part of some male colleagues, she does not allow their attitude to deter her, as discrimination is against the organisation's basic philosphy

Working for a company like Southern not only makes it easier for women to have careers, but also encourages them to do so, says assistant GM Maureen Rawlins

She says that the top managements' openess and ability to listen has removed any obstacles for career-minded women.

Senior manager Margaret Stevenson says the fact that she is a woman has never entered the picture at Southern

"As Southerners we are in the unique and extremely fortunate position of being able to do whatever it takes for us to realise our personal aspirations and career ambitions in a corporate atmosphere that offers us freedom and flexibility as well as the necessary nuturing"

Winning the Gold Award has been an affirmation of the values of equality and will spur the company on to greater achievements, says senior manager Jennifer Preiss

She says that given the history of discrimination against women in the workplace, Southern compares very favourably with other financial institutions

Senior manager Trish Acton says that over the years she has seen the firm move away from an outdated paternalistic attitude towards female staff to a climate of empowerment

"Today, as a woman at Southern, one has the right to aspire to any position in the company, knowing that one will be judged solely on merit and performance"

large organisation with a "small-company ethos"

She says she has never encountered any form of enthusiasm to do something, I am confident that I will be taken seriously"

She says that while there to have careers, but also encourages them to do so, says assistant GM Maureen Rawlins

to aspire to an position in the company, knowing that one will be judged solely on merit and performance"

Transmed has high ideals

B/Day 28/10/92. (172)

TRANSMED, the medical aid scheme and pharmacy unit of Transnet, is striving towards providing equal opportunities for its employees — at home, at work and in SA generally

Human resources senior manager Paul Lood says Transmed is a caring organisation towards its colleagues and clients at the 57 pharmacies it operates countrywide. Transmed employs almost 600 people; 54% are women.

Lood says management has been addressing critical issues such as equal opportunities, stress management, housing, social and economic issues and ethnic languages

"Training is regarded as one of our key successes," says Lood

Employees are afforded equal opportunities as far as internal and external training is concerned.

He says employees are also encouraged to further their studies.

Currently 42 members of Transmed's personnel are studying after hours, with the support of bursaries from the company.

Benefits

Transmed's maternity leave benefits are 84 days on one-third of normal salary, with the rest to be claimed from UIF

A further 14 weeks' leave may be granted, with the provision that the individual can get her job back Paternity leave is still under discussion with the labour unions

Femnet, a community-orientated woman's organisation, was established in September 1990 to support women employees and wives of male employees.

Among Transmed's objectives are improvement of the quality of life of employees and their families, and to become instrumental in promoting the well-being of the Transnet community as well as that of society at large

On Pick 'n Pay's team: Linda Saacke (human resources GM), Pamela Shippel (Pantry Pride), Anne Seba (marketing), Iris Clausen (Blue Ribbon), Somaya Toefy (human resources), June Hanks (MD's secretary), Gilly Pod (health), Cecily Morkel (consumer affairs), Bea Swart (human resources), Judy Techman (clothing), and in front, Raymond and Wendy Ackerman.

Pick 'n Pay sets its sights on Gold again

B/Day 28/10/92 (172)

PICK 'n Pay, a past winner of the Gold Award, is hoping to win again in its 25th year.

The chain store considers people to be its greatest asset, something chief judge Philip Bacchioni has picked out as being one of the qualities which gives the group a good chance.

Employees who satisfy the conditions laid down are entitled to apply for a housing loan at an interest rate of of 4%.

Pick 'n Pay each year also hands out about R500 000 in non-repayable company bursaries to further the education of employees and their children.

The group has also followed up on another one of Bacchioni's yardsticks for the award — promotion of women.

The percentage of women at the senior or supervisory level has increased to 32% this year from 24% last year.

There are also two women who are members of the board of directors — Raymond Ackerman's wife Wendy and human resources GM Linda Saacks.

Media liaison and corporate environmental affairs officer Anne Seba says the acceptance of women in senior management positions is growing in the ranks of male management.

"Testimony to this is the fact that at the annual Executive of the Year awards ceremony held in May, 34% of the awards went to women."

Seba adds that women have overturned a previously stereotyped male dominated world by occupying positions such as fresh-produce buyer, systems analyst and store manager.

"The position of chief butcher is also held by women at both the Wonderpark hypermarket and the Secunda supermarket."

The marketing and communications department is staffed entirely by women, who produce such publications as Consumer's Watch, Talkabout and Enviro Facts.

Pick 'n Pay won the Gold Award in 1989 in recognition of its outstanding parental rights' agreement, which came into effect in August 1988 and replaced the maternity leave policy.

Seba says the agreement entitles women to 11 months' leave, nine of which are paid.

"Where both parents are employed by the company, they may share the leave," she says.

An additional benefit is the right to return to work and receive the same wage and status as before they left.

Any increases that may have been awarded during their absence are added to their salaries.

Flexible working hours are also permitted for women in several regions of the country.

Stress victims

■ Black managers are more likely to develop disorders, survey finds: (172)

Sowetan 28/10/92.

By Mokgadi Pela

BLACK managers are more likely to develop stress-related disorders than their counterparts from other races, according to the findings of a new survey

The study which started three years ago was headed by Dr Ben Allman, medical director of a top pharmaceutical company.

Typically, such disorders can include ulcers, heart disease, hypertension and psychological syndromes

On the other hand, the study says white, coloured and Asian managers in comparable positions are less likely to experience illness but some of them will suffer similar disorders

The research indicates that black managers find their home and community environments twice as stressful as their places of work Their counterparts rated their workplace and community environment as having the same impact.

"The research has confirmed that not only are the causes of stress different for managers from various races but blacks experience them more frequently than their counterparts from other races," Allman added

The project included questionnaires to 1 301 managers in 13 major companies Valuable inputs were received from business schools, psychologists, foreign consulting firms and the American Institute of Stress

Sexism 'no issue' at Oxford

B/DAY 28/10/92. (172)

OXFORD University Press (OUP) has a woman majority in all its job categories and believes that few companies would be able to rival them.

MD Kate McCallum says hard work is rewarded regardless of gender, creed or race and says it is a tribute to the company that after the toughest financial year, both appointments to senior management were women.

A survey conducted by the UCT Business School found that 97% of the staff felt that racism and sexism were not issues that the company needed to address.

Oxford University Press's publishing director Douglas van der Horst, left, with marketing director Colleen McCallum, MD Kate McCallum and finance director Mike Ogden.

Priority

Nevertheless, the appointment of black women in the company was an issue that management felt was a priority. Blacks make up 48% of the staff complement of 65.

McCallum says that OUP benefits women in that it allows flexible working hours and staff may also work from home. Ex-staff, many with children, are also employed as freelancers.

Maternity leave is granted at two months on half pay. While paternity leave is unpaid, the company has decided to improve upon this.

McCallum is the founder of Women in Publishing (WIP) and staff are encouraged to take part in the organisation. WIP encourages networking among women in the industry by facilitating in the acquisition of business-related and publishing skills.

OUP is not a commercial company. It is a branch of the UK's OUP, which is in turn an extension of the University of Oxford.

Since the organisation is non-racist, non-sexist and non-discriminatory, OUP is sensitive to the role language, text and art play in forming people's perceptions, through ensuring stereotypes are not perpetuated in the books produced.

FOCUS

Making affirmative action work

B/DAY 4/11/92

CHARL ADAMS

THE problem with the concept of affirmative action is that it is interpreted to mean whatever its proponents or opponents wish it to. This can cause confusion in the minds of many employers and employees who are genuinely looking for guidelines to apply in the workplace

In addition, a range of seemingly synonymous terms such as black advancement, social responsibility, economic empowerment, positive upliftment and equal opportunity are being bandied about — all with their own social, economic and political nuances yet totally justified in the eyes of their respective advocates

It may well be that the heterogeneous nature of the debate reflects the complexities involved On the other hand a wide array of terms and titles have done much to confuse the real issues Affirmative action ideally should be a means to an end and a temporary measure designed to facilitate the process of creating equal access to work through the eradication of racism and sexism

If we agree that the final destination of the affirmative action debate is the overall development of the country's greatest resource — its human resources — then we have a common point of departure from which a meaningful exchange of thought and counter-thought can emerge However, if a paradigm of thought exists that insists on the status quo being retained, and that merit be the only criterion according to which all groups are evaluated, we end up in a cul-de-sac debate

A prerequisite to a meaningful debate on the topic is undoubtedly a liberal dosage of humility and the inevitable acceptance that no individual input is going to provide the ultimate solution, but that through a synergistic process of inputs from a wide range of convictions, a broad consensus will emerge

At a recent symposium held by the Cape Town Chamber of Commerce, entitled Affirmative Action and Black Advancement in a Democratic SA, it became evident that creative minds and a willingness to consider the points of view of others is an essential ingredient for a meaningful and constructive debate

The two most important legs of the affirmative action debate today are race and gender

Underlying the debate is the vexing question of whether affirmative action programmes should be voluntary, prescribed by central legislation, or perhaps a combination of the two

The protagonists of legal intervention to redress past imbalances hold to the view that a voluntary approach to upliftment has, with a few exceptions, not benefited the wider black/-female community, and that an inadequate educational system places the black job applicant at a distinct disadvantage at the recruitment level Furthermore, they argue, Afrikaner nationalism was nothing less than legislated affirmative action applied to a minority group that had attained political rights and had skilfully engineered society and the world of business to their own advantage

Despite some of the indisputable facts that underpin this argument, it was most heartening that speakers at the symposium were not in favour of what one presenter called "now-it's-our-turnism" It was clearly not in the interests of SA to apply reverse apartheid, with all its concomitant advantages and disadvantage for different groups, but rather to develop an ethic of nation building which would include and benefit all communities

In the meantime, however, how do you level the playing field? It's one thing getting it right constitutionally and giving political franchise to all adults, but how do you redress the decades of inferior education and resultant under-representation in commerce and industry? Many believe the developmental aspects of affirmative action programmes are long overdue, and should be actively incorporated in company objectives, strategic plans and mission statements

Unfortunately, in the past many companies gave lip service in company statements to equal access for all, without taking practical steps to ensure that justice was seen to be done

Ways in which an affirmative action strategy can be approached could include a clear and unequivocal commitment to affirmative action and a directive by management, with the support of the chief executive officer, to pursue affirmative action at all levels of the organisation Without support from the top, programmes are stillborn and become no more than an externally imposed list of "Sullivan principles" that irritate more than motivate

In this light, recruitment and selection policies must reflect a more realistic demographic mix of race and gender in the workplace

It is often at the point of entry that marginalised groups are discounted and demoralised Of the final list of candidates for a vacancy in the company, all of whom are "acceptable", should it always by the "best one" who gets the job, or should the overall needs of the company and required demographic mix not be paramount in making such a decision?

Assuming that the black/female applicant eventually gets beyond the doors of the personnel recruitment department, it is encumbent on the employer to treat that employee in a way that no or little selective criteria are applied in his/her advancement in the organisation However, the assessment and appraisal of the encumbent black/female must be accompanied by the same assessment and appraisal of the immediate superior in terms of contributing to the success/failure of the subordinate In other words, assist the superior to "grow managers" and become a mentor to the inexperienced black/female

This approach will ensure that the self-fulfilling prophecy of many superiors that blacks/-females "won't make it" is actively countered

It also behoves organisations to embark on career development and succession training programmes at all levels and not only in the traditionally "liberal areas", such as human resources, public relations and training An overriding principle should apply at all times that encourages a culture of participation and inclusive decision making, so as to give "ownership" to policies and practices that have to be implemented by blacks/females

The challenge of business is to find ways to facilitate a process of normalisation in the workplace and still retain its competitiveness in the open market, by developing our vast human resources for a prosperous future SA

☐ **Adams is an official of the Cape Town Chamber of Commerce.**

PEOPLE'S LIVES *Mother has degree from Fort Hare and is studying for post-graduate diploma*

Tiny Maisela ... Fort Hare graduate.

Japanese choose Tiny

(172)

■ **Human resources consultant only South African invited to attend course:**

SDwetan 5/11/92

By Sonti Maseko

WELL-KNOWN human resources consultant Mrs Tiny Maisela is in Japan attending a course in productivity management sponsored by Japan's International Co-operation Agency (Jica)

Maisela (38), a mother of two and a consultant for the National Productivity Institute (NPI), is the only South African chosen to do the course run every year by Jica which accepts more than 6 000 overseas candidates

About 340 of the participants are drawn from developing countries to meet their needs in the area of human resources development.

Maisela's selection is viewed as a singular honour for her organisation, the NPI

Says director of business development John Parsons "It is important that everyone understands that South Africans can hold their own at the highest international level and one of those South Africans is helping raise living standards through her work in the NPI, and will do it even better on her return next March "

Maisela has a science degree from the University of Fort Hare and is presently studying for a post-graduate diploma in Management - Human Resources - at the Wits Business School

She also serves on the board of the Women's Bureau of South Africa

Autonomy a boon for Rotek

B/DAY 6/11/92. (172)

HILARY GUSH

INDEPENDENCE in almost every sphere of operation was the key to the success of the commercialisation of Eskom's Central Maintenance Services into Rotek Industries, group CE Bruno Penzhorn said yesterday

Speaking at the Project New Generation Economy conference in Midrand, Penzhorn said the strongest impetus for improved performance was achieved with the restructure of the organisation into four operating divisions

"To provide better measurement and control, and above all to promote ownership, all operations were given full autonomy with a unit manager in charge Overlaps of responsibility were removed wherever possible to take away excuses for non-performance"

He said the commercialisation process was broken down into three stages loss reduction, profit improvement and optimisation for long-term survival with new product lines, export orders and technology agreements with overseas companies

Performance targets of the organisation were shifted from technical to commercial excellence. "It was also made clear from the outset that we would have to move from a security related remuneration package with many entrenched fringe benefits to a performance-related system of pay"

Penzhorn suggested three strategies to facilitate easy transition to a commercialised business First, flat and uncomplicated management structures should be created to allow for immediate and effective communication with employees and trade unions

Entrepreneurship should be developed to "unleash the dormant energy of the workforce" and to allow freedom of action as well as autonomy and accountability.

He said the umbrella of total unit control was in each case pushed down as low as possible into the organisation

"Our managers, at all levels, took the bait and started enjoying the process I firmly believe that our recovery is the sum total of these newly created initiatives and mercenary trends of our individual entrepreneurs"

As motivation of the workforce was the responsibility of top management, an open display of confidence in the company by leadership and the setting of simple targets were needed

Finding the "correct democratic structures for co-determination at the workplace" in close consultation with employees was suggested

"This coincides with the needs experienced by all organisations today to address the high expectations of things to come in the future SA, as seen by all population groups in our country"

Training programmes, worker empowerment and possibly equity participation for all employees was seen as crucial in realising the full potential of the workforce.

However, he said a "hard lesson we learnt in the commercialisation process was that, in spite of all our efforts, unit managers were unable to raise their gross margins to such levels that progress could be made on loss reduction towards true profit performance"

This necessitated a process of "rightsizing" so as to survive, he said

'People involvement essential in mergers'

HILARY GUSH (172)

PARTICIPATIVE management and broad employee involvement was the key to success in a merger, Samcor chairman Spencer Sterling said yesterday.

Speaking on Samcor's merger experience at the Project New Generation Economy conference in Midrand, Sterling said: "Provided sufficient synergy and opportunity exists for a real rationalisation and complementarity of facilities, products and labour, and provided human issues are clearly recognised and carefully managed, a merger can be very rewarding."

Sterling warned, however, that few mergers were successful and most were plagued with problems.

It was dangerous to underestimate the complexities of computer systems activity, and key systems personnel should be involved in the merger plans.

So as to prevent any market speculation and rumour when planning a merger between two highly visible, consumer orientated companies, a multi-media public relations effort was required to disseminate information on the merger's development, Sterling said.

B/DAY 6/11/92

"The problem common to all mergers, however, is people-related. As all established companies have their own individual culture, a merger represents a traumatic culture shock to all involved in it."

Existing corporate cultures would have to be relinquished and a new corporate identity and culture established. Participation by employees in formulating an action plan was suggested.

As the attrition rate in a merger was inevitably high, staff should be convinced of the security of their tenure. "People are the key to the relative success or failure of a merger, and their active participation is crucial," he said.

Research spending does not always pay

BIDAY 6/11/92

(172)

DAVID SAWER

IT HAS become part of the conventional wisdom that the level of industrial spending on research and development (R & D) helps to explain international differences in industrial performance, and that one reason for the disappointing performance of UK industry is that it spends less than its competitors on R & D.

But these beliefs are not supported by the evidence. The most appropriate measure of industrial effort devoted to R & D is industrially financed R & D as a percentage of industrial production.

Germany and Japan are the only large industrial countries in which industry devotes a significantly higher proportion of its income to R & D than the UK. French and Italian industry have performed well while devoting less to R & D than does UK industry. At the level of the nation, there is clearly no simple correlation between industrial expenditure on R & D and growth.

It is naive to imagine national growth can be closely correlated with research expenditure. Growth depends more on increasing the efficiency with which resources are used than it does on increasing the input of such resources, including R & D. Research is only one way in which industry can improve its efficiency; and it is the results of this activity, not the level of expenditure on it, that determines its contribution to the growth of industrial efficiency.

One explanation of the pattern of UK industry's expenditure on R & D over the years could be that the results of its high expenditure in the '60s proved commercially disappointing, and that the UK increased its expenditure in the '80s when competition intensified.

Economists are tempted to use any available figures when comparing the economic performances of nations, even if the figures are not truly relevant. R & D statistics are among the less relevant data. The most interesting questions are why companies and industries differ in the success with which they introduce new products and processes to increase sales and reduce costs, and whether changes to the hardware or to marketing and production do more to improve efficiency.

Expenditure on one means of improving the hardware is not a very useful figure in this context. It is all the less useful because decisions concerning which efforts to improve hardware should be called R & D are partially subjective, so that international differences in R & D expenditure may reflect differences in the interpretation of what it comprises.

Studies of the reasons for international differences in industrial performance therefore need to be analytical and qualitative rather than quantitative. Statistics can only provide a starting point for analysis, not the answers themselves.

It is depressing, given the limited significance of R & D expenditure, that the US Democratic Party — along with the UK's Labour — places so much emphasis on tax incentives to encourage more spending on R&D.

A company's expenditure on innovative activity, including R & D, is largely determined by the technical opportunities for such activity in its industry and by the intensity of the competition it faces. Tax relief will reduce the cost of R & D, but this reduction is unlikely to increase significantly the expected return

The UK government is trying to encourage firms to spend more on R & D by promoting the publication of research expenditure by individual companies But the government's efforts to make companies more conscious of their R & D expenditure are likely to cause companies to place more of their activities in this category, which is what the US tax credit appears to have done This government intervention may therefore make everyone happy without changing anything but the work of the accountants.

If any government wants to improve the performance of its national industries, it should recognise that improvement will depend on getting more output from the available inputs, not on increasing the quantity of the inputs, whether R & D, investment or employment.

Performance is a matter of how firms are managed, which governments cannot directly influence. The most relevant role for government is to improve the quality of the labour input through its influence on the educational system, and to maintain a stable macro-economic climate.

Attempts to increase the quantity of R & D demonstrate politicians' failure to analyse the problem and their desire to be seen to be doing something. — Financial Times.

☐ **Sawer is an economic consultant.**

Companies urged to help workers

Private companies and the government were this week urged to intensify their efforts to educate adults if they were committed to lifting the country out of the economic recession.

Of the 15 million strong workforce, about nine million are illiterate One out of every three women was also illitrate," according to Paulette Bethlehem of the Continuing Education Project (CEP)

CEP is presently helping companies to set up education programmes for their workers at all levels up to matric

Bethlehem warned prospective candidates that there were many schemes on the market which promised good results but were inadequate "We are very concerned about this since adult learners were subjected to courses which were not educationally sound," Bethlehem said

She said: "When adults are taught, they need courses which are adult orientated because they are experienced and responsible people.

Now is the time to be involved in education because we have a downturn in the economy. This is our opportunity to improve the education level so that when we have an economic upswing, we would be ready to meet the challenges"

Bethlehem also advised companies not to make use of the "car wash" theory of literacy According to this theory, companies take a batch of illiterates, "put them through" a programme and they come out at the other end with their ignorance washed away.

New Nation 12/11/92

Learning

Student leaders for Cape

S/Times (Cape metro) 8/11/92 (172)

STUDENTS from 74 countries are expected at a meeting in Cape Town of the International Association of Students Interested in Management and Commerce (Aiesec)

The association has 75 000 members around the world

The delegates are presidents of the Aiesec in their countries.

South Africa was selected to host the meeting on the strength of its recently adopted reform policies.

The publicity officer for the international presidents meeting, Ms Tania Fendel, said the delegates were "a group of globally-minded, highly-skilled business students"

"The meeting brings together some of the world's top student leaders and opinion formers who may constitute valuable future business contacts."

On the agenda are a conference and two study tours, one in the southern Transvaal and the other in the Western Cape.

'The sooner the better for affirmative action'

THEO RAWANA

COMPANIES introducing affirmative action programmes now would be in an advantageous position if legislation enforcing the concept was introduced by a new government, RAU economist Roelof Botha said at the weekend

Addressing an affirmative action workshop convened by the National Economic Initiative (NEI) in Johannesburg, Botha said companies needed to start identifying management potential among black employees and develop this into a force that would contribute to the overall growth of the economy.

The NEI is a two-year-old Durban-based organisation with 72 corporate and 100 small firm members which facilitates affirmative action.

Saying economic inequality was a serious threat to future stability and prosperity, Botha added: "The time has come when business leaders can no longer stand aloof from the aspirations of people who have been an integral part of business, but who have been subjected to an inferior status."

Affirmative action programmes were not limited to the workplace, but also covered areas such as housing and small business, he said.

NEI executive director Lionel Grewan said the initiative would assist companies in affirmative action programmes by co-ordinating and activating advancement programmes at the workplace.

Its business linkages committee would facilitate ties between big business and small entrepreneurs, in relationships that would be beneficial to both.

The housing committee would identify obstacles to cerating a market for black home-owners and investigate policies with which these could be overcome.

Regional Air decides to show its true colours

STEPHANE BOTHMA

A ONCE "invisible" airline has been making its mark in the southern African region since it began operating under its own name in January.

Regional Air, which previously operated in the colours of airlines from Transkei, Ciskei and Botswana, as well as in other low-profile charter services, has now obtained rights to serve five destinations from Johannesburg. Two of the services will be international

Regional Air MD Leigh Thompson said at the weekend scheduled flights to Pietersburg and Phalaborwa, in association with Letaba Airways, would start today.

The move follows the acquisition two months ago of a 50% share by Regional in Letaba Airways, which has served the Lowveld area for the past 20 years A 28-seat DC3 airliner will be used on the route.

Last week, Regional started flying the first direct route from Johannesburg to Kariba in Zimbabwe.

On December 1 it will introduce a direct flight to Livingstone in Zambia

Livingstone, 8km from the Victoria Falls, was an excellent tourist destination, said Thompson.

Thousands of people have flown on Regional Air planes without ever having heard of the airline

"We never marked our aircraft, and had no identification in seat pockets or anywhere in the plane We took on the identification of whoever we were flying for."

With the deregulation of SA's aviation policies, Regional decided it might as well assume a public identity, said Thompson

Keeping to the airline's policy of not going into direct competition with SAA, Regional Air was looking at expanding only on routes not serviced by the national carrier

"We do not need wars It is difficult enough to make a profit without national carriers cutting fares to eliminate competition," he said

The only route being operating in direct competition with another airline was Johannesburg/Umtata, which is also served by Transkei Airways.

Thompson believed enough business existed domestically to accommodate all the airlines operating in SA.

Regional Air has five shareholders, but no big corporation to back the airline financially, he said

However, the airline was financially sound and fully owned most of the aircraft it operated, Thompson said. "We are getting stronger daily, and are very careful in how we conduct our business"

penditure and having at the same time a self-destructive, Jacobs said.

Business is speaking 'with too many voices'

B/DAY 9/11/92 (172)

GERALD REILLY

PRETORIA — The need to rationalise and consolidate the large number of organisations representing business in SA had become imperative, Johannesburg Chamber of Commerce and Industry (JCCI) president Stuart Morris said last week.

Speaking at a JCCI business breakfast, Morris said business was currently represented nationally by at least 10 major bodies and a host of minor ones

This was confusing for business, government and the public as well as for visiting trade missions, he said

Morris said business was speaking with too many voices instead of with one strong voice

Given the changes taking place in SA, together with growing financial pressures and the scarcity of human and other resources, it was obvious that continued support for all these organisations was neither justified nor feasible

Morris said employers had to focus their attention and funds on fewer organisations. Duplication of effort in local chambers had to be eliminated and scarce resources consolidated.

A common game plan was needed to work towards an agreed national strategy that promoted business and the economy.

Morris said given the diversity of SA society there was still a need for more than one body representing business, but the time had surely arrived for rationalisation of existing nationally representative bodies

Current structures serving business at national, regional and local levels needed to be critically examined to rationalise scarce resources by mergers where sufficient common interest could be identified.

Marketing by phone

GAVIN DU VENAGE

THE much-maligned telesales remained a good marketing technique despite the abuse heaped upon it, said New Products Library researcher Derek Jermyn.

He said that when telemarketing was professionally planned and used skilled and motivated operators, the concept of a business retaining close contact with its customers around the country was essentially a good one B/DAY

"A higly trained telemarketer is as important to a company as a well paid representative, and also doubles up as an image builder," Jermyn said.

Some companies which made telemarketing a dedicated unit had had incredible success. 9/11/92

A good example was Frank & Hirsch, said Jermyn, who was himself involved in setting up the company's own telemarketing division

Frank & Hirsch was the first to hire students from Access College, an institution that trains disabled people to operate in the workplace Today six graduates account for 25% of the company's turnover

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CONSOLIDATED INCOME STATEMENT

Year ended 31 March 1992 R000's	Six months ended 30 Sept 1992	30 Sept 1991

Balance sheet

Capital expenditure for the period amounted to R35,4m (R37m – 1991), the major project being the Rustenburg

Economy 'needs broader ownership base'

B/DAY 10/11/92 (172)

WILSON ZWANE

TO COUNTER destructive options for economic change, business should be working to broaden the ownership base of the economy, says a senior Consultative Business Movement (CBM) official.

Writing in this month's edition of the Institute of Personnel Management's People Dynamics, CBM executive director Theuns Eloff says it is inevitable that the country's majority will obtain political power.

"When the majority finds it is not given an equal stake in the economy of the country, there is real danger that it will seize economic power — possibly through crude means such as nationalisation of mines or banks."

An economic ownership development trust and a black-owned financing and insurance venture are among vehicles for broadening the economic power base of the economy, he says.

However, such moves ought to be coupled with the development of effective management and skills resources in the black community.

"It will not help for black people to own part of the economy while whites still manage it. What is required is a massively increased thrust towards training ... and the development of management culture in the black community."

Symbols of black success in a market economy stand a chance of winning the confidence of South Africans in a market-orientated economy. If this is not achieved, the credibility of the market economy is jeopardised.

Focus on image of advertising industry

B/Day 17/11/92

172

MARCIA KLEIN

THE advertising industry's image was the main topic of discussion at the recent AAA World Advertising Congress in Barcelona.

Markinor's Nick Green, who presented a paper with Hunt Lascaris TBWA MD Reg Lascaris, said one of the highlights was a paper on the interface between editorial and advertising by the editor of Die Welt, who said the industry should go all out to correct the image problem of advertising

At the congress, an international campaign was launched to raise awareness of advertising as a dynamic force The campaign, which has been devised to include developed and less developed markets, was launched in Newsweek in September

Green said that until now no one had championed advertising's cause sufficiently He hoped the campaign would be seen in SA shortly, with the basic strategy adapted for the local market

Unilever chairman Michael Perry said marketing was a "zillion metre hurdle", but no company's future was assured without excellence in marketing, branding and advertising He said there was a need for international strategies with local executions.

There was also concern at the conference about the lack of emphasis on the importance of marketing. Most companies' main assets were in their brands, and until these were included in the balance sheets, this could remain a real problem

Green said he and Lascaris spoke about Africa, where 12% of the world's population produced only 2% of world GDP and was exposed to about 2% of its advertising

Sinclair upbeat about Actsa

Business Day Reporter

THE Association of Corporate Treasurers of Southern Africa (Actsa) was well positioned to ensure SA's financial system worked efficiently, outgoing chairman and Amalgamated Retail financial director Bruce Sinclair said in Johannesburg yesterday.

"During the year several key objectives were met. A treasury management course was established at Unisa. We have been in the forefront of new ideas, such as why companies should be allowed to buy their own shares," he said. B/DAY 18/11/92.

The new Actsa chairman is Genmin treasury GM Marius Ferraira

SA urged to gear up for affirmative action schemes

B/Day 20/11/92 (172)

WILSON ZWANE

SOUTH Africans had to learn from the experiences of the rest of Africa if they wanted to become internationally recognised leaders in business enterprise, past Institute of Personnel Management (IPM) president Tony Frost said this week.

Frost told the IPM congress on organisational change and renewal at Midrand on Wednesday that one area in which South Africans could learn much from Africa was affirmative action.

"There is a great resistance to the whole notion of affirmative action in SA. South Africans have been talking about this issue for 30 years . and at the end of 1991 less than 4% of the total number of technical, professional and managerial positions were filled by people other than white.

"This is not good enough and South Africans are in for a rude awakening."

Everybody suffered in African states where affirmative action was suddenly thrust upon commercial and governmental organisations. "The organisations suffered because they suddenly had people at senior levels doing jobs which they had no experience to handle and individuals suffered because they were thrust into jobs they were unable to handle effectively."

To avoid the same mistakes SA should not wait for affirmative action to be legislated "The way to go is to develop the experience base of the entire organisation as quickly as possible and to pump in the skills that are required — at all levels — as fast as possible."

However, beneficiaries of affirmative action plans should be involved in their implementation to ensure their relevance

Wits University's project for the study of violence director Tony Vogelman told the congress reconciliation programmes were needed to reduce suspicion, resentment and violence within and between communities

Warning over Soweto's cost to Jo'burg

B/DAY 23/11/92

ADRIAN HADLAND

THE simple amalgamation of Johannesburg and Soweto would threaten Johannesburg's economic viability, management committee chairman Ian Davidson said at the weekend

A "quick-fix approach" to amalgamation would lead to punitive rates and tariffs increases, forcing commerce and industry to relocate, he said

"It is imperative that the Witwatersrand region continues to be financially viable if SA is to attain its economic and social goals in an era of reconstruction and nation-building," Davidson said

In Johannesburg's audited financial report for 1991/92, Davidson called for a "fair and realistic" tax base on the Witwatersrand together with financial aid from government.

City treasurer Willie Siebert said the council was "hard pressed to balance (its) budget without passing on untenable rates and tariff increases to our residents. It is therefore unthinkable that we should have to shoulder the burden of additional expenditure in neighbouring authorities without some financial commitment from provincial or central government"

WILSON ZWANE reports that a dispute between the Soweto City Council and its employees was resolved on Friday with the council agreeing to pay the workers their 13th cheque next month.

The dispute arose on November 9 when the council informed the workers it would not be able to pay bonuses this year According to sources, the council had told its employees that they would get their bonuses in March next year.

On Friday the council informed the workers that it had managed to raise funds from sources such as Eskom and the TPA and would pay the bonuses on December 7

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More police for trains

B/DAY 23/11/92

STEPHANE BOTHMA

MORE than 500 additional policemen were deployed on trains on the Reef from Friday as part of a new strategy to protect commuters.

Since 1990, more than 300 people have been killed in train violence and several hundred more injured

Soweto police liaison officer Col Tienie Halgryn said on Friday the SAP, the SADF, the SA Rail Commuter Corporation and Spoornet would participate in an effort to curb violence on trains.

Main points of the strategy were the redeployment of police, increased police visibility on trains and platforms, the searching of commuters entering and leaving stations and trains and the stopping and searching of trains at random.

Video cameras would also be installed at stations to monitor troublemakers, Halgryn said

The strategy, which would continue after the festive season, was met with cautious approval by the ANC.

"The ANC PWV Region and its allies are in a process of studying the proposals in preparation for a meeting with the corporation and police on November 27," the ANC said in a statement.

an internal investigation into the covert organisation, the David Webster inquest was told on Friday

Testifying behind closed doors at the Rand Supreme Court, Verster said now retired Military Intelligence chief Badenhorst hit him after he (Verster) refused to leave his own office at the CCB's secret headquarters in early 1990

Sunday newspapers reported that Verster said shortly after Badenhorst had been appointed to lead an internal investigation into the CCB, he told him "General, I don't trust you and you must know that"

The hearing on Friday was held in camera and journalists were not allowed in

"Because I did not want to play along, Badenhorst tried to chase me out of my own office I said that it was my office and I stayed seated

"He then got up and, in front of (SAP Brigadier) Krappies Engelbrecht and (CCB administration officer) Christo Brits, assaulted me," Verster said

He further told Judge Michael Stegmann that the then SADF chief Gen Jannie Geldenhuys had said in January 1990 that President F W de Klerk had given an assurance that there would be no "witch-hunt" over the operations of the CCB

The then Defence Minister Magnus Malan had been told that the CCB had information about the gunning-down of Wits ster told the inquest

Both Badenhorst and Engelbrecht had been told about Barnard's alleged involvement in the Webster murder, Verster reportedly said

Verster was the third witness at the inquest this week who claimed that Badenhorst had been told that Barnard had confessed to the killing of Webster

CCB information officer Derrick Louw and Barnard's handler, Lafras Luitingh, both told the court about the alleged confession

SUSAN RUSSELL reports that Verster's appearance followed a warrant for his arrest issued almost three weeks ago after he defied a subpoena to be in court to testify on November 2 and went abroad instead

Stegmann had earlier granted a request by Verster's counsel, Jurie Wessels, to allow his client to testify in camera in order to protect his identity

Wessels submitted a statement by Verster on November 2 in which he apologised for his non-appearance, but said he was forced to keep appointments overseas to wind up various CCB matters,

Lawyers said the judge had indicated on Friday that he would wait until he had made a finding in the inquiry before deciding what action to take over Verster's non-appearance earlier this month

Call to act now on education

WILSON ZWANE (172)

THE Institute of Personnel Management says a national education forum should be established as soon as possible

In its report, A National Human Resources Strategy, the institute says SA should not wait for a new political dispensation before it reforms its education system. To get reform going, a national education forum — including representatives of business, education, labour, employers, professional and civic associations — should be formed B/DAY 23/11/92

Such a forum would give birth to a multiparty national education and development council, which would pinpoint skills required for future economic growth

The institute proposes that subsidisation of educational institutions be replaced by a national loan scheme which would encourage students to follow technical and scientific routes rather than pursue academia

The institute also advocates greater interaction between universities, technikons, technical colleges and correspondence colleges "A single-stream system should be introduced to allow students to move horizontally . this will enable a technical college student to further his education at technikon or university level without being penalised for the years already spent in another educational institution"

A national accreditation board would have to be established to set minimum standards and monitor implementation of the single-stream system

Jordaan and Bhamjee allegedly also overcharged the SABC by $300 000 (R797 000) when broadcasting rights for World Cup matches were negotiated Al-

velopers who promised a profit of R300 000 within six months "With that profit, which never materialised, I would have paid back the R390 000 before the car was delivered"

Nkuhlu likely to succeed Horwood at bank

B/Day 24/11/92 (172)

GRETA STEYN

IDT executive vice-chairman Prof Wiseman Nkuhlu is expected to replace Owen Horwood as chairman of the Development Bank's board when Horwood retires at the end of the year

Horwood yesterday announced his retirement as chairman of the board, but said he would remain bank president and chairman of its council of governors, positions he had held since 1983

Nkuhlu, a former Transkei University rector, is deputy chairman of the bank and is national president of the Black Management Forum He is also convenor of the Rockefeller Foundation-backed development committee which aims to raise foreign finance for development

ıg new employment conditions to farm workers

Let's forget the past, pleads FW

Sowetan 25/11/92.

PAST CRIMES De Klerk is committed to rooting out malpractices in Government:

SOUTH AFRICA COULD NOT AFFORD to become "a prisoner of the struggle and the mistakes of the past", State President FW de Klerk said last night

Responding to the recent spate of scandals, De Klerk told a function in Sandton to mark this year's State President's Awards for Export Achievement that he would "completely root out malpractices and maladministration"

He conceded that in the past, crimes had been committed "on all sides" and that this "exceeded the bounds of moral justifiability"

The Government was serious about taking "strong remedial action in this sphere", he said "We are cutting deeply "

Vowing that "good government, now and in the future" was the "highest priority", De Klerk said South Africa's prospects looked bright in spite of the rash of scandals in recent weeks

He said all the National Party Government's actions since 1989 had been directed at creating a better South Africa

"We are succeeding," he said, "and dare not be forced off course by new shocks about old things

"I am continuing and, for that, I ask your support," he told the businessmen

Revealing that he felt personal "shock and deep unhappiness" about recent exposures of maladministration, De Klerk said "reorganisation and restructuring on the one hand, and disciplinary measures and where possible prosecutions on the other (would ensure that) good government prevails in every respect, also in this field"

He said he had "the full support of the Government and the top structure of the security forces", but insisted "What I dare not allow is that essential activities which have to continue in the national interest, are jeopardised or paralysed by over-hasty action"

The president referred specifically to corruption scandals following the reports of the Van den Heever, Pickard, Parsons and De Meyer reports, as well as "disclosures and allegations of serious malpractices in the field of security and intelligence".- *Sowetan Correspondent*

Prof Nkuhlu to take over IDT's reins

Black economist to succeed Mr Justice Jan Steyn:

Sowetan 25/11/92

(172)

By Mzimkulu Malunga

PROFESSOR Wiseman Nkuhlu, a leading black economist, has been appointed chief executive of the Independent Development Trust.

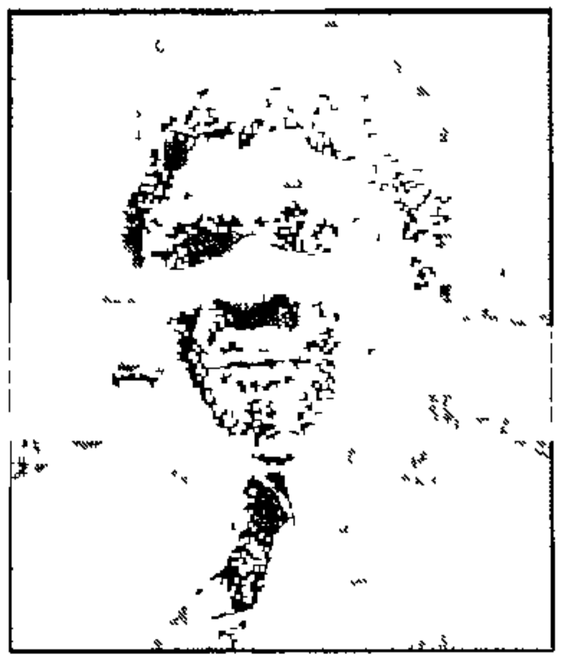
He will also succeed former Minister of Finance Dr Owen Horwood as chairman of the Development Bank's board at the end of the year

Nkuhlu, who is president of the Black Management Forum, will resume his new position when current chairman, Mr Justice Jan Steyn steps down

He is one of the most respected economists in Africa and has written several papers on development issues

The 48-year-old chartered accountant has turned down offers from big international financial institutions such as the World Bank and the International Monetary Fund

Nkuhlu is a former rector of the University of Transkei and serves on a number of boards in the private sector



Professor Wiseman Nkuhlu

Affirmative action forum

B/DAY 25/11/92 (172) (186)

WILSON ZWANE

THE Black Management Forum will convene a workshop in Johannesburg at the weekend to lay the foundation for a national affirmative action forum

More than 15 organisations, including the ANC, Cosatu, the PAC, Idasa, the Institute of Personnel Management, the Institute of Directors, Nafcoc and the Urban Foundation have been invited to the workshop.

Forum research and projects manager Loyiso Mbabane said yesterday the objective of the workshop was to discuss the structure and funding of the proposed forum

His organisation wanted the forum set up by the end of the year

He said the need for "a strong and well organised body for the advancement of blacks and women to senior (managerial) positions" was evident, given the reluctance of many companies to implement affirmative action programmes.

The proposed forum would research affirmative action plans and lobby for legislation which would provide "the necessary structural framework for affirmative action programmes", Mbabane said

The forum has, with Business & Marketing Intelligence, begun a major study intended to produce a blueprint for the implementation of affirmative action.

The results of the study — funded by 13 companies including Eskom, Nedbank and Shell — were expected to be released in the new year

Sources said the study was in the form of in-depth interviews with more than 800 people, including human resources managers, line managers, black managers, women managers and representatives of organisations from across the political spectrum

No saving to be found in inadequate training

BDAY 26/11/92

EUROPEAN companies budget 30% of total computer spend on training, a far cry from SA's much lower training budgets

The downside of spending less, says Siemens Nixdorf's training manager Mike Hodgkinson, is that users who aren't trained properly are usually less productive. This can have adverse effects on computer use and impact on the company's bottom line

Siemens Nixdorf draws on specialists to train and educate its large user-base

Most demand is for training on application packages, Windows, DOS and other PC-based packages, office automation and networking, databases and communication

Training ranges from introductory courses to technical and user orientated training

"Importantly," says Hodgkinson, "we don't provide only training, but also education which provides people with conceptual knowledge"

Higher productivity is possible through regular training, and technology-based training has become important

Training for PC users is done in areas ranging from word processing to spreadsheets, and Siemens Nixdorf's Comfodesk electronic desk organiser.

"More and more users are turning to office automation because computerised offices allow internal, and inter-branch communications, as well as providing for higher accuracy and better control of information flows."

Apart from training users, another important facet of the process involves internal staff training and education

"This covers not only technical training, but also concentrates on providing them with the skills needed to advise customers"

Local and overseas specialists are called in to keep staff and customers up-to-date, and staff regularly go overseas for training

International co-operation between Siemens Nixdorf head office and its subsidiaries is close, so offices worldwide meet regularly to discuss training.

ASK any computer user what they want from their supplier, and the call is invariably for cheap service and 100% system uptime

This was clear when Siemens and Nixdorf merged and set out to establish what users wanted in systems support and service.

System Support Manager Brian McCrindle says that with increasing competition in the information technology industry, more emphasis must be put on service and support to ensure customer satisfaction

More than a third of Siemens Nixdorf staff are dedicated to customer service The system support

Nkuhlu tipped for top Development Bank job

W/Mail 27/11 - 3/12/92

Weekly Mail Reporter

JUST as the former finance minister turned out to become chairman of the Southern African Development Bank, so the incoming chairman of the bank may soon be minister of finance.

When Owen Horwood retires as bank chairman at the end of this year he will almost certainly be replaced by the current Independent Development Trust vice-chairman, Wiseman Nkuhlu, a man who has been dubbed South Africa's Bernard Chidzero.

Nkuhlu, one of South Africa's most respected economists, is widely expected to succeed Horwood at the DBSA at the end of the year. He is a former principal of the University of the Transkei and sits on many corporate boards.

Born in Transkei 48 years ago Nkuhlu graduated from Fort Hare University and went on to obtain a master's degree in finance and international business at New York University. He became the country's first black Chartered Accountant after completing a degree from the University of Cape Town in 1976. Nkuhlu also has among his credentials being expelled from Lovedale High School and serving a year on Robben Island.

After serving eight years as Unitra's principal he was last year appointed to his present position. Last year he was elected president of the Black Management Forum.

Although regarded as an Africanist, Nkuhlu is a key economic adviser to the African National Congress. He qualifies this by saying that he prefers to "plough his energy and ideas to whoever can deliver the goods" and not on ideological grounds. One of his current projects is a feasibility study on a multi-party project to raise development funds under the auspices of the Rockerfeller Foundation.

In black business and political circles Nkuhlu is seen as the best candidate for heading the finance ministry because of his skills and lack of ideological attachment, hence his Chidzero label.

(172)

Nkuhlu has turned down several job offers from the International Monetary Fund and the World Bank, the last of these being chairman of the Africa Capacity Building Institute.

An advocate of affirmative action, Nkuhlu feels strongly about "progressive" whites running development programmes that mainly affect blacks and has voiced his concern about the possibility of labour and business — whose interests he describes as "close" — developing a pact that will affect everyone else. He also advocates a land and graduate taxes.

Right on, Wrighton!

W/Mail 27/11-3/12/92

Peter Wrighton, chairman of Premier, was named progressive employer of the year this week. He told **FERIAL HAFFAJEE** *he owes it all to his Afrocentricism*

Peter Wrighton Hoping to have workers represented in the boardroom Photo SARAH PRALL

PETER WRIGHTON S revolution at the giant Premier Group started with a book he bought while waiting in an airport three years ago It was written by Sony chief Akita Morita and, says Wrighton, ' it explained the Japanese miracle and how he had introduced shared values and common beliefs into his company '

Soon "shared values ', ' training and trust", "affirmative action' and other Nineties buzzwords were heard in Premier boardrooms and staff canteens Today joint employer-union committees run the company's provident fund, bursary and social investment programmes

Premier plans to take it a step forward by introducing "equity participation" or employee share ownership schemes for workers

"We hope soon to have our workers represented in our boardrooms," adds Wrighton The company has sent joint union-management teams to Germany to study equity participation

He also believes that all executive teams should reflect the country's racial balance, Premier has three black men on the board, the most in any major South African corporation ("We will have to deal with the gender imbalance later," Wrighton adds wryly)

"If you're going to do any of these schemes, you have to pay more than just lip service," says the Premier chief

Paying more than lip service has worked this week the Black Management Forum capped him "progressive employer of the year" "It's as much an accolade for a progressive organisation," says Wrighton

The theme of the BMF conference was "Eurocentric versus Afrocentric management" and Wrighton believes he got the prize because he is an Afrocentric manager who brought co-determination and "ubuntu" or humanism to the workplace

"It's not only a philanthropic gesture," says Wrighton of Premier's R16-million allocation to social investment "We get back more from the communities because they buy from our companies and our workers are more productive "

Wrighton has a colourful "pulling oneself up by the bootstraps" history which explains his willingness to give worker participation a chance

He completed his accountancy degree at the University of the Witwatersrand part-time because he lost his father in the first year and had to support his family He qualified with flying colours and began auditing Premier's subsidiary companies

Premier appointed him group financial director in 1976 and when chairman Tony Bloom emigrated in 1989, Wrighton became group chairman

Under Tony Bloom Premier had already implemented a "huge" training programme and performance bonus schemes were put in place

"But still productivity deteriorated," says Wrighton, "because we needed something completely different"

The company established working committees comprised of equal numbers of worker and employer representatives

Joint control was established over social investment, housing, safety, education, management, job creation, drought relief, school feeding schemes, bursaries and the company's provident fund

He admits that it has not all been cosy industrial relations "there have been fits and starts" There is a need "to train workers to accept responsibility and to condition managers for workers' participation"

Many workers still see the committees as an attempt at co-option and managers used to dictator style control, need to be trained to accept joint responsibility and consensus decision-making

The company's "value system", its mission statement, had to become more than just a pretty plaque at corporate headquarters.

Managers and executives from all levels went on walk-abouts speaking to workers "to explain philosophies and to tap their fears and aspirations"

The statement had to be written in Standard Four English because this was the workers' average proficiency level The spinoff of the walkabouts was a literacy drive for Premier workers called Jolt (Job Literacy Training)

But "the value system crashed" because the union had not been consulted

The company started again by calling together the head honchos of the Food and Allied Workers Union and the Premier executive to thrash out their grievances publicly

They videotaped the proceedings and sent it to all companies in the group, with 70 trained facilitators to explain the value system

Wrighton is determined to implement a working "value system" throughout the group "If we want to attract foreign investment," he says, "we need to be an ethical society "

There are still strikes and old style industrial relations at many of the group's subsdiaries and Wrighton admits that the new system will only bear fruit in the next generation

Sharing values also meant changing the political face of the Group Premier was one of the first companies to visit the African National Congress in Lusaka in 1989 It was also one of the first companies to encourage a "yes" vote in the referendum early this year and its in-house newspaper gives wide coverage to political developments

In the run-up to the referendum earlier this year, Premier strung a huge banner on the M1-highway stating its commitment to "Peace and Democracy"

Says Wrighton "The only problem was that the ANC stole our slogan "

You might even find a mouse in your stocking ... Look out for next week's special Christmas edition of **PC***Review*

JOINT EDUCATION TRUST
REQUEST FOR PROPOSALS

The Joint Education Trust has been launched by some of the country's major companies, trade unions, political community and education organisations Its aim is to promote long term fundamental change in the quality of South Africa's education and its relationship to the world of work

The Joint Education Trust has identified adult literacy and basic education as a priority area and aims to support action in literacy, numeracy and basic skills training that has long term impact

The Trust's current strategy is to enhance the capacity of existing literacy organisations and to encourage the development of regional support agencies that are capable of supporting local activity and forming a regional infrastructure for the expansion of literacy provision

The Trust has therefore undertaken as **an initial step the commissioning of research into adult basic education needs and provision** in each of the nine existing development regions of South Africa (including Western Cape, Northern Cape, Eastern Cape including Border and Transkei, Natal including Zululand, Orange Free State PWV, Western Transvaal, Eastern Transvaal and Northern Transvaal)

Appropriate institutions initiatives, groupings and agencies are invited to submit proposals to the Trust for this research Proposals should reach the Joint Education Trust by 15 February 1993

The commissioned research institutions will be expected within six months to prepare a comprehensive report for the Trust that

* provides data (suitably analysed and presented) on
  - the literacy and basic education levels in the region,
  - the scale type and quality of literacy provision in the region including the degree of learner progress
  - the literacy needs of the region and the resources (infrastructural, organisational and materials) currently deployed to address issues of literacy and adult basic education
* analyses the potential of the current resource base to have its capacity increased to support advocacy, infrastructure, curriculum and materials development, teacher training and ABE leadership and management training

As a second step the Trust wishes to solicit proposals from regionally based institutions, initiatives, groupings, and agencies for the establishment of regional support and training centres/activities

Such centres would for a specific period (three years) be required to support the regional infrastructure for the following adult literacy and basic education activities

* Advocacy
* Provision
* Curriculum development
* Course and materials development
* Teacher training
* Adust Basic Education leadership and management training
* Co-operation , collaboration and co-ordination

Agencies are invited to submit proposals to the Trust for regional support initiatives in the above nine development regions Proposals should reach the Trust by 15 February 1993

Agencies may tender for the research and the regional support components together or separately.

Further documentation is available on request from,
Joint Education Trust
P O. Box 1198
Johannesburg. 2000
Enquiries (011) 403-5500

East, west, Africa is best

SOWETO 28/11 – 2/12/92 (172)

A NEW concept of business management in South Africa is required which will take into account the traditions and culture of the African participants in commerce and industry.

This was one of the ideas to emerge at the Black Management Forum's 1992 national conference held at the University of the Western Cape last week.

Delivering the keynote address, the managing director of Co-ordinated Marketing, Mr Reuel Khoza, said merely copying Western management styles would not release the full potential of all South Africans

These Western management styles tended to focus on power relations rather than consensus They led to conflicts between bosses and workers, individualism and insensitive competition at all levels

It was no wonder the economy was performing badly, as the way it was being run ignored all the deep-seated needs and aspirations of the majority of workers

Khoza said he favoured the "community concept", which was based on the traditional African concept of ubuntu This meant supportiveness, co-operation and solidarity

The community concept was

Benny Alexander

opposed to individualism and competitiveness just as much as it was to collectivism, where the individual was depersonalised at the expense of the social unit.

The concept sees the business organisation as a community to which individuals belong, not just because they have a legal contract to work there, but because they want to

"This community is built on close interpersonal relationships and group interactions held together by a feeling of security and harmony on the part of all its members. The members submit themselves and their hopes and plans to this community."

This sort of business was "humanistic and humane" at every level

But it had its rules and regulations which, although strict, were seen as necessary to promote the values and objectives of the community. They were fair and reasonable and clearly understood by all members and were not aimed at preserving the power of one group over another

There also had to be a free flow of information about what was happening in the business

"One cannot cultivate a community spirit by withholding information and trying to manipulate facts," said Khoza

These aspects had several implications for the way businesses would be run

"The community concept provides a sound basis for team learning and would help eliminate Eurocentric blind spots occasioned by a pre-occupation with individual excellence which often degenerates

Wiseman Nkuhlu

into reckless individualism within South African corporations"

It would also develop a greater sense of oneness in businesses, helping to change the traditional relationship between management and workers from one of conflict to one of consensus building.

The community as a whole would also benefit in that corporate social responsibility programmes would be more "natural" and directed towards the real needs of society without expecting any return.

PAC secretary general Mr Benny Alexander, agreed with this view, saying that it was high time that white managers started listening to what their black workers said and debated issues with them before management planned its business strategies.

He was concerned about the lack of blacks in top management positions, except as "human resources" experts. He said more should be done to encourage students to study management, the sciences and technology at university rather than concentrating on the service industries they were forced into by apartheid

Earlier, the president of the Black Management Forum, Professor Wiseman Nkuhlu, said that unless South Africa did more to develop its own policy analysts and managers, the economy would never meet the challenges of the future.

Its continued reliance on outside policy analysts meant that external policy agendas could be foisted on unwilling leaders, resulting in unnecessary economic paralysis, which would hurt everyone.

Equally, the economy could not continue to rely on the country's few white managers at a time when the country's huge development needs would have to be tackled efficiently and effectively.

— Lynda Loxton

Multi-skilling lifts productivity 45%

(172)

S/Times (BUSS) 29/11/92.

By ADRIAN HERSCH

PRODUCTIVITY has increased by as much as 45% in some companies where multi-skilling has been introduced

This is one of the findings of a survey of 40 large companies in South Africa

But companies also report several drawbacks.

The research was conducted by Theo Veldsman, a consultant at Anglo American's Central Training Unit (CTU)

The survey shows that most companies implement multi-skilling at shopfloor level (38%), followed by supervisory (32%), and middle-management level (15%)

Dr Veldsman says the response is "fairly representative of the larger companies that that have implemented multi-skilling".

Warning

Reasons for the benefits obtained are "more efficient and effective operation" (31%), a reduction in costs (17%) and improved productivity (14%)

But Dr Veldsman warns that although multi-skilling can offer much in the short term, it should be coupled with adult education programmes if medium — and long-term benefits are to be gained

"A worker has to have a certain level of education to enter a job grade demanding certain complexities of skill.

"Once a worker has been multi-skilled to a maximum level in a grade, it often happens that he is unable to advance because he does not have the education to enter the next grade"

Fortunately, adult education programmes are increasingly being used by businesses.

National Training Board acting chairman Ray Eberlein says it is possible that these adult education programmes could be "recognised by issuing nationally acceptable certificates"

Dr Veldsman's survey shows that the most common form of multi-skilling adopted is operators doing different tasks in their own discipline (29,7%)

This is followed by artisans across disciplines — doing maintenance and working in production as well (21,6%) — supervisors across disciplines (18,9%), operators across disciplines (10,8%), management across disciplines (10,8%) and artisans across traders (8,1%)

There have been instances where trade unions have rejected multi-skilling But several Cosatu unions have agreed to its implementation.

Dr Veldsman says· "Although in some cases there is a problem of job security, the alternative can be that the company will go under

Overload

"When implemented correctly, multi-skilling provides for growth and progression among the members which the unions are keen to see"

Some drawbacks mentioned by the companies that implemented multi-skilling are: it is difficult to assess a suitable level of pay, concern about employee "work overload", a high level of supervision is needed to maintain standards, the problem of getting the right balance between specialists and generalists

Employers are also concerned that multi-skilling does not appear to foster job creation — a problem which SA desperately needs to resolve.

A step up the ladder for human resources

S/Times (BUSS) 29/11/92 (172)

By ADRIAN HERSCH

GENMIN intends to ensure 56 000 of its workers become "functionally" literate in the next seven years.

The programme underlines the important role human resource departments are assuming in general business strategies

Human resource practitioners are spending less time "putting out fires" in labour relations and are becoming more involved in relationship building exercises

Genmin human resources senior manager Bryan Phillips says there has been a "shift from the reactive mode" to a policy of medium- and long-term development which involves a continuum of growth among all employees

There are several levels of literacy training

If Genmin's plan is successful, all of its employees will be "functionally" literate by the end of 1999 This is the second level of literacy and includes basic computation and English

Mr Phillips stresses that the human resources department is involved in ensuring that all employees "from those on the lowest grade to executives" are provided with opportunities for further learning

Foodcorp manpower general manager Ivan Lätti says the more effort a company puts into matters of an "integrative" nature, such as social investment, so the disputes in labour relations — sometimes about trivial matters — tend to diminish

Mr Lätti says "For example, in our discussions with unions about housing projects a lot of trust has been built up Joint decision making on an issue like this has meant that we have progressed to know and respect one another

Ride

"There have been fewer labour relations incidents on the shopfloor requiring hasty 'reactive' responses"

Mr Lätti says building of trust has made for for a better climate in wage negotiations

But he warns "Obviously, in pay talks each side has to do the best for its constituency One should never expect an easy ride in wage negotiations The prospect of industrial action as a last resort is always there

"But at least where there is trust, a lot of unnecessary haggling is avoided and chances of settlement are enhanced"

Pick 'n Pay personnel director Rene de Wet agrees that the "fire-fighting" stage appears to be over for several companies

"We are moving beyond that and into relationship building, concentrating on matters such as good service in stores

"We have held many cross-cultural workshops involving middle management and union shop stewards Fairly good results have been achieved

"Another important development is that the company is even training union representatives The issues include disciplinary and grievance procedures It is a breakthrough when you consider that there was a certain degree of suspicion in the past"

Mr de Wet says the human resources department "is deeply involved in goal setting" for affirmative action

"We have 145 stores and 85% of managers are white males We expect that in the year 2000 there will be 200 stores and about 40% of managers will not be whites

"There are expansion opportunities for all It does not mean that opportunities for white males will be blocked"

Mr de Wet says that although several of those selected will come from outside, such as matriculants who will be trained, Pick 'n Pay is embarking on training lower-level employees for promotion

"These workers will take longer to train, because they do not have higher education But with the right training, support and monitoring we expect some of them to be managers and assistant managers in about four of five years"

Mr Lätti says it is crucial that affirmative action be implemented

"It can't be done immediately because of the state of the economy — there is little scope for promotion at present But planning for the medium- and long-term has begun"

Salaries

Richard Pruett, director of consultants and placement agency Garry Whyte Associates, says the important role of the human resource practitioner has at last come of age.

"They are becoming part of the executive management team, and even on the board, on an increasing scale"

Mr Pruett says salaries of senior human resource practioners have improved with their enhanced status But their pay has not increased relatively to those of other professionals

"The significant increases have occurred where the practitioner is part of the executive team — he is being paid accordingly"

Prepare for the coming revolution in profit sharing

172

B/DAY 30/11/92

DEON THOMSON

RECENT research indicates that there is a groundswell movement within large corporations to share profits with workers It has reached the stage where it is not so much a question of whether profits will be shared or not but how they will be divided up

Research leads us to predict that the form of profit sharing known as gainsharing will be widely accepted and adopted as the standard practice in SA within five years

Gainsharing is a system whereby the proceeds of any gains in productivity are shared between the stakeholders in agreed proportions. The norm in the US, where the concept is gaining in popularity, is a 50 50 division between the shareholders and the workforce It is a meaningful and effective way of approaching the problems of wealth distribution and standards of living

The most frequent reason advanced for not implementing gainsharing was the argument that the workers cannot in fact influence profits — therefore, gainsharing would really be like a free handout. With hindsight this argument has to be discarded — the failure to share has led to worker alienation which has adversely affected profits during the past decade — on a grand scale

The real problem has been the difficulty management of large corporations has experienced in clearly conceptualising the nature of the partnership between the enterprise's important stakeholders

A central convention in the reward system is that an employee is entitled to average pay for average performance This is the foundation for remuneration grading systems The requirement of "average performance" is defined in terms of acceptable physical standards, and also in standard terms and conditions of employment

The extremely important corollary is that the employer should not ask for more than average performance without offering additional pay The employer should not expect above average performance — he is not entitled to it

One argument against this view is that "we pay more than the industry average and therefore we expect more" This is wrong as well The reason why these employers are paying more than the industry average is to attract employees, and to show job turnover, and to experience fewer pay strikes

This principle was vividly highlighted in an interview we conducted recently with a shop steward employed by a major manufacturer When asked why the trade union was opposed to a campaign introduced by the company to enhance productivity, he replied "This is not always true The work for most people in the factory is by its nature hard work — both physically and mentally What we resent is that you are employed to do a certain job at a certain speed. It seems unfair to have to work harder or faster without getting additional remuneration Alternatively, the work must be regulated so that it provides regular work for the same number of employees"

This simple answer is so complete, and so obviously correct, that it seems to place the blame for the labour unrest of the past few decades fairly and squarely on the management of the larger corporations Implicit in the statement is the call for fairness and equity, which cannot be refuted

There are basically two ways of conceptualising the economic partnership First there is the Western approach, typified by US corporate structures which ours closely resemble The shareholders are regarded as one of the stakeholders. The role of management is conceptualised in "agency theory", which argues that management is "empowered" by the board of directors, who are the agents of the shareholders The powers derived by management include the powers to staff the organisation and to negotiate levels of remuneration

In the same way, management, which probably enjoys its own, separate incentive scheme, negotiates contracts of gainsharing with the worker group It does not have to gain the approval of the board of directors because, by definition, it is only the "gains" (in other words, the extra profits) that are being shared

If management is challenged on this, it would point out that it is a "win-win" arrangement — either both partners will gain, or neither will — in either event, neither partner loses

The second approach is the Eastern one — for example Japan's Here, essentially, there are only two stakeholders — the shareholder group, and the workforce comprising management and workers at all levels That this is the case can be clearly seen in the way in which profits are shared.

As in the West, remuneration is negotiated with trade union representation By and large wages are fixed at a minimum level However, once or twice during the year, or even three or four times, double, treble or quadruple salary cheques are paid out, dependent on profits earned by the employer during the period since the last distribution of profits occurred In other words, it is a distribution similar to the distribution of a dividend to shareholders It is a direct sharing of profits

Can this be criticised as being a mere handout? Doubtful For one thing it would make employees very amenable to discusssing how profits could be maintained at the same high level — if not improved — so a further dividend could be earned

This approach to incentive pay is very rare in SA

Which approach will be adopted in SA? The intrinsic appeal of the Eastern approach is its simplicity and the way in which it encourages teamwork. It seems to satisfy all of the potential problems — including the problems of how to measure production bonuses, and who should participate in the profit-sharing and who should not.

Yet, there are advantages in the Western approach too — since management incentive schemes focus more directly on performance factors that can be influenced by the managers concerned Separate incentive schemes are devised for separate groups of employees, each with a different focus

There is a pragmatic answer to the dichotomy — it does not matter as long as there is a partnership. Nevertheless, given logistical problems in SA, the Eastern approach appears to be a far more satisfactory solution, and far easier to implement in the short term

Is there another way in which profits can be shared?

Share participation is often looked upon as an alternative to profit-sharing But this approach is fundamentally wrong It confuses the separate roles of the different stakeholder groups Share participation involves a buying and selling of shares — it has nothing to do with rendering services It is only where share participation is on a substantial scale, as in a closely held private company, that it is likely to influence employee behaviour

Unless the economic partnership is correctly conceptualised, and brought in as part of the mission statement, meaningful sharing cannot be justified Management is simply not entitled to divert profits away from the shareholder group without justifiable reason

Invariably, where the economic partnership has not been articulated, profit-sharing tends to be on a small, even insignificant, level — say, 5% of annual remuneration, which hardly affects the employee's performance What is needed is true profit-sharing, which may pay out 30% or 40% of annual remuneration, funded entirely by an increase in profits

☐ **Thomson is an associate of P-E Corporate Services.**

Marketers 'must stay in touch with audience'

B/Day 1/12/92

GAVIN DU VENAGE

MARKETERS like to think their audience is far more sophisticated than it is, says Markinor chairman Nick Green

Spelling out guidelines for Third World marketing, Green said that within a few years the average South African would be black, 15 years old, fairly unsophisticated and talking "a kind of English"

"On the other hand," said Green, "we marketers and advertisers will be 40-plus, more sophisticated and perhaps a little out of touch with what is happening, unless we remember a few key points"

The first of 12 elements Green laid down concerned brand value. The less sophisticated an audience, he said, the greater the value of a name

Brands had become a language — for instance, in some markets there was no such thing as vodka — it was Smirnoff

Then came the exploitation of aspirations Ads showing blacks and whites mixing in up-market situations touched on something many hankered for

As an example, Peter Stuyvesant, the best selling cigarette in the middle socio-economic groups, used exotic travel destinations in its advertising

Green also advised

- Use simple language, and avoid word-play English is a common language of communication, but not everybody's mother tongue,
- Visuals and pictures can overcome nuances and language difficulties,
- Use role model endorsement "You do not need long copy or explanations The associations and visual elements do it all for you if you use a Brenda Fassie as a spokesman",
- Use sports sponsorships Research has shown that sport is high on the list of SA priorities,
- Use music, which is a powerful common interest in the youthful metropolitan market Coke's use of Mango Groove had grabbed an instant youth vote for their product,
- Appeal to the emotions Unsophisticated markets are less analytical and more emotional, and are less likely to react to dull and boring advertising;
- "Grab the educational sponge" Advertising works well when it teaches people how to use a product, or how to behave socially,
- Beware of change The Castle Lager label switch created a tremendous negative effect for SA Breweries, said Green,
- Consider the use of media Television, radio and print are obvious vehicles, but new avenues, such as home videos and taxi-tapes, should be considered,
- Finally, never ignore word-of-mouth recommendation or criticism, which could affect the progress of a product or service This was especially true in the townships where the extended family and good neighbourliness really did exist, said Green

Companies 'secretive'

172

GAVIN DU VENAGE

SA's only corporate investment publication, CSI Letter, was gaining ground in the business community, editor Myra Alperson said last week B/Day

SA companies were too secretive about their social investment programmes, and the CSI Letter had been started, in part, to create a forum of information sharing, said Alperson

The fourth issue of this bi-monthly Innes Labour Brief publication appeared earlier this month, looking at issues such as the basics of social investment policies and some of the latest activities of various companies 1/12/92

Alperson worked for a research foundation in New York and co-authored a book on corporate social investment before moving to SA and the Innes Labour Brief last year

SA companies could both learn from and contribute to the international CSI experience, Alperson said As the country was once again on the investment map, it was important for local business to make their contributions known

NESS

Seeff is looking for R1bn turnover soon

LINDA ENSOR

CAPE TOWN — Seeff Organisation Holdings had increased its total turnover by between 50%-60% to about R500m in the six months to end-August and, provided the political situation stabilised in the period until its year-end, would generate turnover of more than R1bn, chairman Lawrence Seeff said yesterday. B/DAY 2/12/92

Residential sales were just under R400m

Seeff said the group had performed well, despite the difficult market, benefiting from its diversification and aggressive marketing programmes. The diversification programme was aimed at establishing a presence in all spheres of property and related financial services.

The financial services division, Seeff Trust, contributed 37,5% to group profits, Seeff Slot Projects 37,5% and Seeff Residential 20,1%, despite an increase of more than 50% in the value of sales

Seeff Slot Projects, established two years ago, is the development arm of the group involved with the design, building and marketing of its own developments Seeff said its performance had been surprising. Seeff Residential, which acts as the division's marketing arm, expected sales of more than R50m during the coming months.

Residential sales in the Transvaal had overtaken those in the Cape, but Seeff said this was to be expected because of the larger market and agent complement in the Transvaal The Cape employed 150 agents and the Transvaal 180.

Seeff Commercial Properties had had to operate in the most difficult sector of the property market and its contribution to profits was still relatively minor However, Seeff said, recent sales and major letter contracts would improve its performance

The group's move into Natal would take place early in the new year

Seeff Mergers & Acquisitions would benefit next year from its recently acquired stake in Hotel Broking Services.

Redesigning yields direct returns in productivity

B/DAY 2/12/92

PETER GALLI

CORPORATE clients are becoming increasingly aware of the financial advantages of improving their immediate work environments, says SA Design Society president Des Laubscher

"It has been proved that an enhanced work environment increases the productivity of staff Thus the money spent on revamping space has a direct return in improved staff performance While the recession has affected the amount of money businessmen are prepared to spend on this, many are now re-evaluating their buildings and how they can make these more cost effective, rather than building new premises," he says

Laubscher says South Africans are inclined to accept whatever they are told at face value

"It is essential that we become more discerning, as many things can be changed to suit the client's requirements without much expense," he says

A much wider product base is now available, and local designers have access to global suppliers This in turn has made them more aware of international trends and has encouraged them to become less staid, Laubscher says

"An example of this is Nedbank's banking malls

"The company has taken its corporate image and colours and used these as the focal point of its malls, where everything is designed with this in mind — even down to the pen holders," he says

Formal open-plan offices have become less popular and have been replaced by cellular open-plan designs, as the trend is for buildings to be as energy efficient as possible

In the past, few designers were involved in projects from the outset, which meant they designed from the outside in

"What is happening now is that the end users are being considered and the interior designer is called in at the start of the project

"This allows him to use the environment as best as possible — for instance, by harnessing natural light to save energy and minimising heating and cooling costs," Laubscher says

The society has nearly 300 members, encompassing graphic, interior and product designers However, this represents only a small percentage of the industry

"We have adopted the international code of conduct and will start looking at the establishment of fee structures next year, as well as benefits such as medical aid," he says

Capital boost fails to stem Zevenwacht losses

ROBERT WICKS

CAPE TOWN — Despite significant injections of capital and attention to long term debt, the Zevenwacht Wine Estate — one of the largest in the country — incurred losses in excess of R2,08m in the 12 months to 30 June 1992

The company and its two wholly owned subsidiaries produces red and white wines in the Stellenbosch district To restore its position, directors have resolved to offer new shares to existing shareholders to enlarge the capital base and reduce interest-bearing debt

Zevenwacht chairman Harold Johnson said sales of the estate's wines had been adversely affected by the poor economic climate

B/DAY 2/12/92

No dividends on the ordinary shares were declared and no dividend was proposed

Johnson said he did not anticipate a "quick turnaround in Zevenwacht's fortunes", but added that everything feasible was being done to ensure the long-term future of the farm

Three new dams had been built, new vineyards were being established and wine-tasting facilities were being improved The estate was also receiving favourable reaction from the export market.

Micor
Micor Holdings Limited

It's time for a switch in attitude

(172) STAR 2/12/92

NERVE CENTRE
Telephone executives are a company's most valuable asset It's time to stop treating them as "poor relations". **PHANGISILE MTSHALI** reports.

REMEMBER those least-paid, least-skilled and almost forgotten co-workers whom you only know as harsh voices on the other end of the line, or as faceless incompetents?

Well they are not Telephone executives are the company's most valuable staffers, says Sandhurst communications consultant Renett Grove

She is out to convince the business world that switchboard operators deserve respect. For the past two years Grove has hosted a Telephone Executives Week in recognition of those at the company coal face — the switchboard

They do not just sit and push buttons, she says, but they manage communication in the company "They are the voice, the face and image of the company to an outsider"

They are telephone executives because their job involves taking diplomatic decisions with every incoming and outgoing call and making it possible for other employees to do their jobs smoothly and effectively, she says

Almost 70 percent of contact with clients is done over the telephone, therefore, managers should start seeing people at the switchboard as their most valuable asset.

Over the years, people working switchboards have been treated like "poor relations" by other employees Most of the time, they are the last to know what is happening in the company

Grove argues that they should be the first, because outsiders will telephone the company and ask the first person who answers about a new project or promotions venture

A wrong tone of voice when answering the call can shatter that business deal So can a rude sigh or a slight sign of being intimidated, harassed or bored

Some companies see the switchboard as a place to keep the unproductive and demoted.

Managers must start investing money and training their telephone executives to boost morale, motivate them and make them feel they are part of the company

All extension users must understand that the person at the switchboard has feelings and is under pressure and stress, trying to be nice to rude callers calm unhappy clients and facilitate outgoing calls

Simple things, such as reporting if you are going out, will help ease the pressure

Managers should not just send their staff to learn correct telephone manners but also attend courses

She says managers can spend thousands of rands training staff but, if they still pick up the telephone and holler 'helloooo' into the receiver, staff will follow suit because "monkey see monkey do"

Putting up a good front .. Johannesburg telephone executives Shireen Davids (right) and Mary-Anne Stewart both make it a point to project their company's image every time they pick up the receiver. Picture, Peter Mogaki

Always have a smile in your voice

Renette Grove gives these tips to becoming a successful telephone executive.

- Give your company's name clearly and professionally — it's free advertising The caller wastes time by having to ask "What company is that?".
- Keep calls short without being rude to the caller
- Try to get callers to leave messages rather than hold Having to return too many calls can cause confusion.
- Act positively instead of making excuses Don't say "I couldn't have cut you off I am on an electronic board!" Rather say "Thank you for calling back. Who can I put you through to?"
- Never say "I can't put you through to Mr So and So", even when acting on a "big wig's" instruction. It frustrates the caller and portrays you as a timid wimp Ask the caller to leave a message and say when the call will be returned
- Do not use buttons as weapons to cut off callers in mid-sentence.
- Never interrupt a call The person on the other side may think you are eavesdropping.
- Put a smile on your face and your voice will "smile".
- Don't use slang words such as "okay" Use "certainly" instead
- Make listening noises, such as "I see", "I understand", to show callers they have your attention
- A switchboard room is not a gossip area Do not repeat anything you overhear
- Use callers' names as often as possible and avoid terms such as dearie, sweetie, lady, sir or madam.
- Do not take abuse from callers personally They complain for a reason.

TOMORROW

Vincent Veal, said to be South Africa's longest surviving HIV-positive person, has given up trying to find employment.

Court ruling sides with company directors

By Leigh Hassall (172) STMr 2/12/92.

Directors of companies trading while technically insolvent will in many instances no longer be held personally responsible for the company's debts.

An Appeal Court decision made last week overruled an earlier controversial ruling by Mr Justice Stegman in the Carbon Developments case

Mr Justice Stegman held that a subordination agreement was not a valid contract and that, by allowing trade to continue, the directors were trading recklessly and could be held personally responsible for the company's debts.

A subordination agreement is a contract between the company and a substantial creditor (usually the shareholder) in which the creditor agrees not to accept payment for the amount owing to him until the other creditors have been paid

It is common practice in small and medium-sized companies to structure the shareholder's investment in terms of a small equity base and a much more substantial loan account

If the company's assets exceed its liabilities — meaning that it is 'prima facie' insolvent — the shareholder can enable the company to continue trading if he subordinates his loan account

Technical partner at Ernst & Young, Garth Coppin, says "In overruling the earlier judgment, the court has recognised what has been happening in the business world for many years "

countries, 35 or 80% spent more importing tobacco than they earned ex-

economic basis of the regions concerned," the five countries argued

awareness of the dangers of smoking and its unacceptability in confined spaces" — Sapa

Mobile courts to be expanded

LLOYD COUTTS

THE introduction of mobile courts to prosecute traffic offenders during the December holidays proved sucessful last year and the Justice Department was considering an expansion of the service

The department announced yesterday that two mobile courts would be introduced in Nylstroom and Richard's Bay this month, and courts along four main highways — the N1, N2, N3 and N4 — would be placed on standby to operate after hours B/DAY 3/12/92

"The pilot project was a huge success (last December) and we are looking at expanding it," Justice Department spokesman Werner Krull said, adding that a third mobile court was being used in unrest areas

A department statement said the new concept of adjudication had helped lower the holiday death toll

The measures' benefits included relieving a holidaymaker who preferred not to pay an admission of guilt fine from having to travel back to court later.

Affirmative action alliance woos major organisations

B/DAY 3/12/92 172

WILSON ZWANE

THE Black Management Forum is frantically trying to get two major organisations to join a newly established alliance on affirmative action.

The alliance was established in Johannesburg on Saturday at a workshop convened by the Black Management Forum

Its objective is to co-ordinate efforts intended to advance blacks and women to senior managerial positions

Black Management Forum executive director Lot Ndlovu said his organisation and other organisations represented at the workshop were trying to get at least two major organisations to join the alliance

He would not name the organisations, but it is understood they are the PAC and trade union federation Cosatu, which were not represented at the workshop

Ndlovu said a committee had been elected at the workshop, to get the organisations "on board"

Black Management Forum research and projects manager Loyiso Mbabane said the need for "a strong and well-organised body for the advancement of blacks and women to senior (managerial) positions" was evident given the reluctance of many companies to implement affirmative action programmes

The alliance would research affirmative action plans and lobby for the enactment of appropriate legislation providing "the necessary structural framework for affirmative action programmes," Mbabane said

Meanwhile, the Black Management Forum and the Business and Marketing Intelligence have embarked on a study aimed at producing a blueprint for the implementation of affirmative action

Results of the study, which is funded by 13 companies including Eskom, Nedbank and Shell, are expected to be released in the new year

According to sources, the study focuses on in-depth interviews with more than 800 people

The interviewees include human resources managers, line managers, black managers, female managers and representatives of organisations from across the political spectrum

Fireworks explode over the Palace Hotel in the spectacular op Jean Michel Jarre's light and music show played to thou contestants Miss Korea Mi-Young Lee, right, and Miss Swed closely shepherded by security guards during and after the

Hawkers to sell items sourced from China

THEO RAWANA

BLACK hawkers in Johannesburg would be selling wares sourced directly from China after an agreement with the Chinese Business Association, the African Council for Hawkers and Informal Business (Achib) said yesterday B/DAY 3/12/92

Achib president Lawrence Mavundla said as a result of talks between the organisations after black hawkers had threatened to chase away the Chinese, an agreement was reached to allow blacks access to Chinese sources of supply for jewellery, ornaments, scarves and other items

Mavundla said the accord, reached yesterday with former Chinese consul-general and Chinese Industries in SA chairman C C Kan, would be formalised next Friday, after Achib had viewed samples of the items made available for its members

He said the hawkers hoped to be trading in the new items before Christmas

"This will enable our members to trade at the same level as the Chinese For the first time our members will be able to sell watches with a guarantee — at R15 each"

He added that the council was negotiating for premises in Johannesburg to serve as a warehouse for the Chinese items Achib would then allow the Chinese — "but only those who are already trading" — to sell on Johannesburg pavements, Mavundla said

Kan could not be reached for comment yesterday

but poverty and ill health for the continent In 1984/85, of 44 African countries, 35 or 80% spent more importing tobacco than they earned ex-

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Disgruntled managers mobilise into union

B/DAY 4/12/92 (172)

DIRK HARTFORD

MANAGERS in the retail industry — and at Checkers-Shoprite in particular — had organised themselves into a trade union to stop themselves from being used as "cheap labour", a Retail Managers' Association spokesman said yesterday

He said managers had formed the association because they were worse off than ordinary workers

The association, with branches in the Cape, Transvaal and Natal, is organised among mainly Checkers-Shoprite managers and has several hundred members

The spokesman claimed that since the merger of Checkers and Shoprite early this year, managers had been victimised, retrenched and demoted He said four branch managers had been demoted for joining the managers' association, most of its committee members had been demoted, transferred or retrenched and others had been told to "leave the organisation — or else"

He said managers' conditions of service had been changed unilaterally New managers were no longer given company cars, petrol cards had been withdrawn, "kickback" on store purchases had been reduced from 15% to 10%, an allowance for Saturday afternoon work had been withdrawn and managers were no longer given alternate Friday afternoons off in return for working the previous weekend, and the extra week's leave had been withdrawn, as had bonuses for improving targets

The spokesman said managers were demoralised and many would even consider joining the SA Commercial, Catering and Allied Workers' Union Checkers-Shoprite had not responded by last night

FRANCHISE ENTERPRISE

FM 4/12/92. (172)

Franchising has become one of the fastest growing generators of economic activity in the US, where a third of all retail sales are now said to take place through franchise outlets

In SA, franchising is still in its infancy An estimated 6% of all retail sales are currently conducted through franchise operations Lately, however, there has been more interest in franchising with the SA Franchise Association reporting an average of 30 calls a day from people interested in moving into franchising This is one of the reasons the US Aid-funded Black Integrated Commercial Support Network (BICSN), together with the International Franchise Association, is organising its first-ever franchising conference in SA at the Carlton Hotel in Johannesburg on December 8 and 9

The *FM* is hosting the conference and Deloitte & Touche, NedEnterprise and Webber Wentzel are sponsors Delegates will be able to attend workshops held by about 15 major US franchisors on their franchise systems

BICSN is hoping that black businessmen will be among the major beneficiaries Says BICSN's Olivia van Melle Kamp: "We believe franchising is a potent method of developing new enterprises."

Inquiries can be directed to BICSN PO Box 1936, Randburg 2125, or telephone (011) 789-3141 Fax (011) 789-3438 The fee per delegate is R990.

SMALL BUSINESSES: *Keep tabs on cash flow*

Budgeting gives a firm direction

STAR 5/12/92 (172)

LEIGH HASSAL continues her series aimed at guiding new entrepreneurs through the hazards of going it alone in the world of commerce.

IMPROVING sales and profit growth are the usual financial goals of the small-business entrepreneur, yet the lifeblood of the business, cash, often gets less attention than it deserves

One of the common causes of small-business failures is the entrepreneur's lack of financial expertise

A fundamental financial tool seldom used by the small business is budgeting and, in particular, cash-flow budgeting

A budget is a financial plan for the business, detailing expected levels of income and expenditure Budgets are usually prepared at monthly intervals and should, ideally, cover a period of three to five years

Yardstick

A major advantage of the budgeting process is that it forces the entrepreneur to spend some time on assessing what his financial goals are and, importantly, to plan how to get there.

Another common cause of business failure is lack of detailed planning An advantage of the monthly budget is that it provides a yardstick whereby the entrepreneur can measure his performance This comparison of actual to budgeted performance is an extremely useful control measure as it allows differences to be investigated and corrective action taken

The budget could also act as a motivating tool for the entrepreneur "Going it alone" in a small business can be a lonely venture and a monthly budgeted turnover could act as an incentive

The extent of budgeting is determined by the size and complexity of the business Larger companies might have a detailed budget for each major division as well as for different accounting areas such as raw materials and sales However, the small business will suffice with a monthly income statement, cash flow budget and year-end balance sheet

The current recession is causing many small business to experience cash flow shortages A monthly cash budget should therefore be regarded as a necessity by the entrepreneur This budget is different from an income statement in that it is based on the expected cash inflows and outflows on a monthly basis It ignores non-cash expenses such as depreciation and caters for the fact that all debtors do not pay in 30 days

The easiest way to prepare a cash-flow budget is to convert the monthly income statement budget into cash amounts which slot into the period in which they are to be paid or received

The prime advantage of a cash-flow budget is that it provides advance warning of a cash-negative month and allows timeous action to be taken The entrepreneur's banker is far more likely to grant temporary loan facilities on the basis of a timeous request, supported by a well-planned cash budget than on a last minute cry for help

A cash-flow budget will also reduce the likelihood of the business exceeding its overdraft limit and possibly incurring a much higher interest rate than that charged for the overdraft limit

The budget allows for efficient cash management A month-end cash surplus can be put to work in a higher interest-earning account instead of sitting in a low-interest current account

Harry Rubin, partner of Ernst & Young's Business Services Group, provides a number of pointers on the cash budget "It is common-place for bankers to require a cash-flow statement and it is also common-place for the entrepreneur to submit an overly optimistic statement

"A far better relationship with your banker will develop if your cash budget is realistic"

Expenses

Rubin points out that many small-business entrepreneurs forget to budget for their individual provisional tax payments This results in the business being hit with an abnormally large cash requirement two or even three times a year Rubin suggests that a monthly amount be put aside for the tax charges

"December and January should be regarded as 'expense months' for most businesses Not only will year-end bonuses have to be paid out, but these months are traditionally quiet months," he adds

Budgeting is a useful tool for the entrepreneur However, it must be used on a regular basis and not filed away "for future reference"

An aid to wise investment

MAGNUS HEYSTEK'S book "The World of Money" is available from The Star at an inclusive cost of R35

It offers everything you need to know about, for example, unit trusts, the JSE, retirement planning, secrets of successful investment, the effects of inflation, making money with property, getting to grips with tax, managing credit, preparing for a career and even the implications of Aids in the investment world Send your cheque or postal order, made out to The Star, to

The Star, Finance Dept, Box 1014, Johannesburg 2000 Or call at 47 Sauer Street between 9 am and 4 pm Also available at CNA

Secret boardroom

STAR 5/12/92.

Wars.

Prickly task of firing a top gun

(172)

IN TIMES of deep recession, companies are taking a close look at top management, and if they aren't delivering, they are axed — sometimes with a fight.

A multimillion-rand contest is being waged at executive level in corporate SA But such are the sensitivies of the issue, that it has become the "secret war" of the private sector

Executive dismissal is on the increase, but infighting is hush-hush, as fallout can harm both company image and individual ego, especially when senior executives are in the firing line

Some light is shed on the issue by Barry Jammy, head of the labour law department of attorneys Edward Nathan & Friedland Inc

"It's an exaggeration to say aggrieved senior executives are beating a path to their lawyers' doors, but there is certainly increased activity in this sphere

"Relatively few cases are made public because the issue usually crystallises around the severance package — money

Packages

"Parties enter into negotiation and a frequent condition of successful settlement is that both sides observe absolute confidentiality

"It isn't possible to give exact numbers If I had to speculate, I would say not more than one in 10 cases comes to court."

Nor it is possible to estimate the size of severance packages, other than to say they can at times be substantial

In scenarios sketched out by Jammy, South African companies are fighting recession by critically examining poor or non-performance in all areas — including management tiers

Jammy points out "SA has traditionally favoured hierarchical structures and top-down systems of control But things are changing We are witnessing the end of isolation Greater contact with global markets has opened a few eyes to what can be achieved by simpler, more responsive units.

"This new insight, coupled with the challenges of a continuing recession, has accelerated corporate re-evaluation One symptom is executive dismissal It is rarely dismissal for misconduct or dishonesty, rather, dismissal for inadequate performance Alternatively, rationalisation may prune a whole tier or division

"Fifty appears to be a dangerous age It is frequently a time of managerial complacency when, in the context of re-employability, that is least affordable

"In cases where unsatisfactory performance leads to dismissal, fairness is still the underlying requirement and, in that context, both parties normally prefer negotiation to confrontation in open court

"Though companies often make a financial offer, it is as well for executives to appreciate that companies will not succumb to extortion These are delicate issues Perhaps it says a lot for good sense all round that so few go to court"

When they do come to court, either or both of the substantive and procedural aspects of the dismissal will be challenged

Then certain aspects of labour law have to be appreciated

Provisions of the Labour Relations Act apply to all employees of a company, not just "the workers" Claims of unfair labour practice are dealt with by the Industrial Court Nine times out of ten, these relate to allegations of unfair dismissal

Contractual

The relief petitioned for is generally reinstatement But this is only ostensible redress in the case of a senior executive The dismissal and subsequent action will have soured relationships to such an extent that financial compensation is the *de facto* goal

Nor is there any statutory obligation on a company to come up with a severance package for the affected employee Statutory provisions exist in English law, but not in SA Here, contractual obligation is the key

Jammy adds "At the moment, attention seems to be focused on dismissal and the severance package, with attorneys being consulted by companies or affected individuals at the exit stage But the spotlight may soon fall on the entry point — the employment contract that will be negotiated by the prospective executive with his potential employer

"Currently, the stress laid, in law, on contractual obligation would lead me to advise an incoming executive to ensure that the issue of severance entitlement is adequately addressed in the contract of employment.

"It may also be in the company's interest to include such provisions Clarity would be established from word go, the recruit's mind would be at rest and a lot of wrangling at a later stage could be avoided"

ANC debate on business

C/Press 6/12/92

SENIOR management from private companies sparred with the ANC on Friday over the organisation's movement towards anti-trust legislation.

Opening the ANC's workshop on the issue, ANC president Nelson Mandela said anti-trust policies would help create competition in the economy.

He also believed such strategies would help address the distorted patterns of ownership that arose out of apartheid government and had contributed to the conglomerates' stranglehold.

However, private sector officials suggested anti-trust laws would decrease the country's international competitiveness and domestic investment ability.

Adviser to Anglo American Corporation chairman Michael Spicer said high inflation, interest rates and exchange controls created a "parlous investment climate".

However, the big companies had access to large amounts of capital at lower costs and ensured good returns on investment and were therefore crucial for the good of the country, he said.

ANC tax advisor Dennis Davis said it was difficult for smaller companies not within the conglomerate stable to gain access to investment funds. — Sapa

White collars with a black record

S/Times (BUSS) 6/12/92 · S/Times (BUSS) (172)

By CHERILYN IRETON

WHITE-COLLAR crime has become corporate South Africa's nightmare

Fraud embezzlement and bribery by trusted staff members have bruised almost every company — although many executives choose not to report the incidents to the police

The potential loss from cases under police investigation on the Witwatersrand exceeds R3,4-billion, says Commercial Crime Unit commander Colonel Louis Esterhuizen

That figure excludes petty and syndicate fraud

The police say they hear about only a fraction of crimes committed by white-collar workers

Not only have the cases they hear about increased, but they are becoming more complicated as a result of misuse of computers, facsimile machines and the availability of regular air flights, says Colonel Esterhuizen.

ETHIC

There are many reasons why companies do not report fraud Loyalty to long-standing staff members, fear of public exposure and plain indifference by business leaders squash most cases

David Lapin, founder of the Institute of Business Ethics, says the crisis companies are facing is merely a microcosm of what the country is going through

"The root of the problem is the lack of a national ethic

'We used to have an autocratic ethic — and while I am not suggesting it was the right one — there was a clear understanding of what was right and what was wrong in terms of that ethic Since the start of social and political changes people are struggling to find out what the country believes in"

The moral vacuum that has resulted from the move from autocracy to democracy needs to be viewed from all levels

"But it won't help for companies — or the country for that matter — to sit down and write a mission statement. This will have no impact because there is no sense of commitment. Any acceptable ethic needs commitment from the workforce and citizens

In the work environment the values problem will not be sorted out only by imposing additional security and systems Instead business leaders should direct their efforts to bridging the sense of alienation experienced by employees to their companies.

"In most cases, the perpetrator does not associate the company with the victim because the company has become a dehumanised concept. This removes the feeling of ugliness from his crime."

Business has bred the ethical dilemma by rewarding bottom-line performance without showing adequate recognition for the value of integrity

"It is difficult to reward someone for not stealing But I believe that promotion must be character based as well as performance based."

Colonel Esterhuizen says fraud is probably the easiest crime in which to avoid prosecution

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SunBop gambles on a Lost City jackpot

S/Times (BUSS) 6/12/92

By CHERILYN IRETON

Sunday Times

TOP 100

NUMBER 10

1987: R10 000 1992: R56 316

SUN International (Bophuthatswana) shareholders are no strangers to high-risk hotel development

The success of speculative projects is one of the main reasons why the company is again being recognised as one of the JSE's top performers

This year SunBop is 10th in the Business Times Top 100 with a five-year average return to shareholders of 92%

It seems fitting that this year's recognition comes as the Sun International marketing machine is in top gear for the opening of the R800-million Lost City development

It is likely that the festivities and media hype that go with the opening will overshadow the daring of SunBop's newest project

The gates to the Lost City are opening amid Southern Africa's longest post-war recession and as is seen from SunBop's latest results — earnings up 8% to R216-million in the year to June — the group is not recession-proof

It has also proven vulnerable to the threat of changes in South African gambling laws

SCEPTICS

Despite these odds, which could include the likely reincorporation of the homeland in South Africa, SunBop has pressed ahead with the development of one of the most ambitious and remarkable resorts in the world

Although the resort will handle a large number of day trippers the total cost of the project runs to about R2,2-million a room This compares with about R125 000 for a City Lodge development and about R400 000 a room for a three- or four-star hotel

SunBop questions the comparison which does not highlight the additional attractions at the Lost City

Even so, sceptics question Sol Kerzner's ability to draw enough day visitors to ensure the Lost City's success But the hotel boss is confident of doubling the number of paying visitors to the Pilanesberg resort within a year of its opening — regardless of the homeland's future status

Mr Kerzner's ability to gamble on big projects, and make them work has become his hallmark But his success with SunBop, and particularly at Sun City, should not be separated from the generous tax write-offs granted to hoteliers by the Bophutatswana Government

In the case of the Lost City, 120% of building costs will be written off against earnings in the next five years Of the total bill for the development, building costs easily exceed R600-million

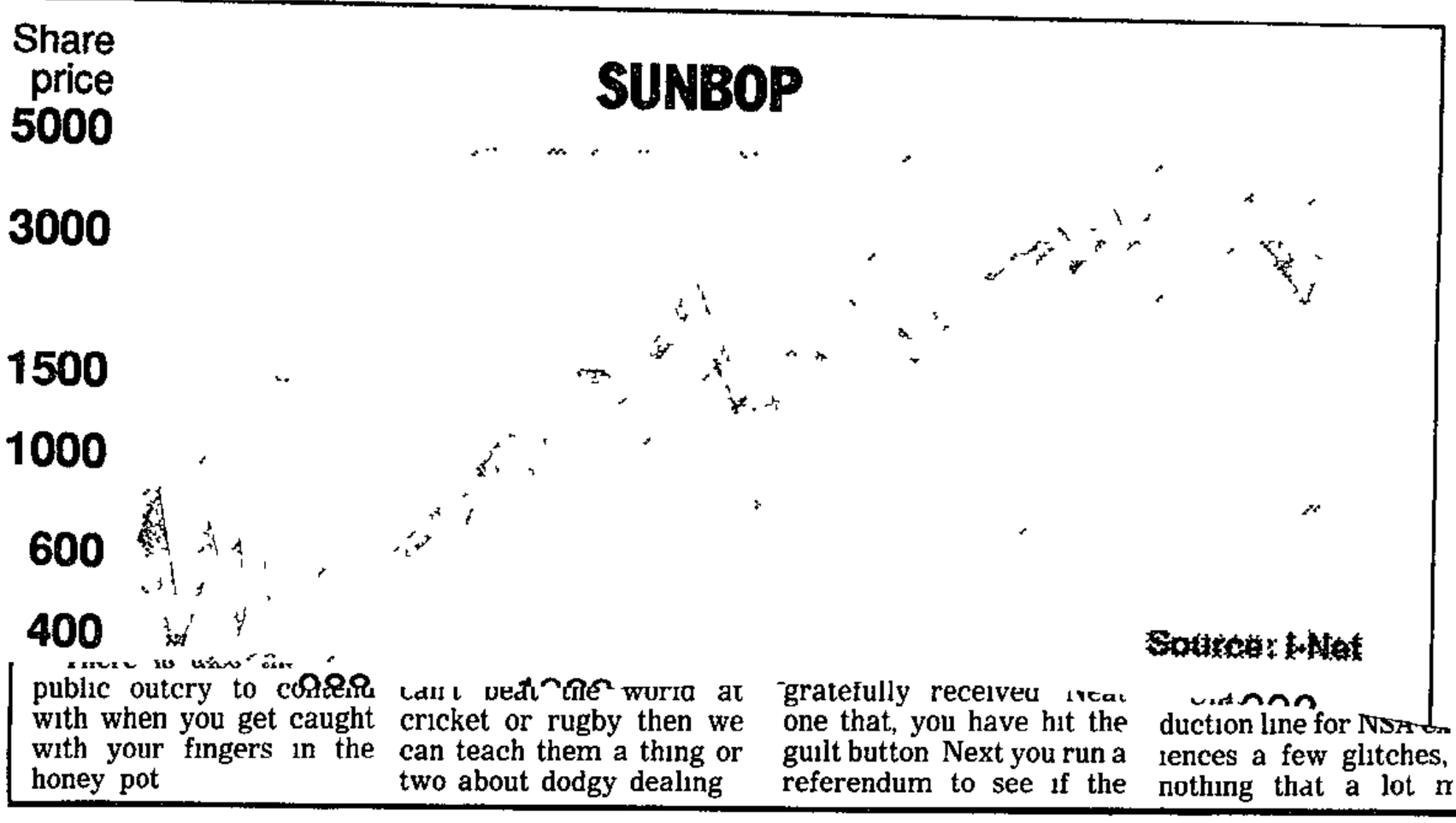
SunBop joint managing director Ken Rosevear concedes that SunBop would not have been able to afford to embark on ambitious projects like Sun City, the Cascades, the Carousel and now the Lost City if the Bophutatswana Government had not provided the security of tax incentives

SHIELD

The allowances for the Lost City will effectively shield SunBop from tax payments for several years and this factor should favourable influence shareholders' returns

Nonetheless Mr Rosevear says the group will continue to provide for deferred tax at a rate of about 20% a year

SunBop's financial history shows that its tax rate moved from nil in 1986 to a maximum of 34% in 1989



public outcry to contend with when you get caught with your fingers in the honey pot

can't beat the world at cricket or rugby then we can teach them a thing or two about dodgy dealing

gratefully received neat one that, you have hit the guilt button Next you run a referendum to see if the

duction line for NSA ... iences a few glitches, nothing that a lot m

DIVERSE INTERESTS SEEK A SANE CENTRE

S/Times (BUSS) 6/12/92.

(172)

By PIERRE DU TOIT

WHEN South Africa's Top 100 companies look at the future, the basic ingredients are no different for them than for anyone else They, too, look with concern at the economic decline while politicians and administrators fiddle and filch.

When their executives look at that future, they, like so many fellow South Africans in "business", feel the pressure of their concern for their families and themselves in a world that is moving from certain disaster to uncertain hope

But the thing that characterises them without exception is that they can pursue the future in the face of the present — that they can have the faith that gives the drive and success even while the moment looks desperate.

In the nation's tax life, as everywhere else, the moment looks desperate indeed. The State is overspending hugely, the pressure on the taxpayer can be felt in a new aggression from legislator and administrator alike, and out in the streets the language of tax revolt, that classic definition of revolution, has become common-place yet real

The immediate future also looks brittle — politically the demands and expectations of angry and deprived generations are intimidating and the need of 16,4-million people living below the minimum living level (Vatcom — a government commission) is awesome. And unless we plunge into the suicidal whirlpool of doctrinaire socialism, all that stands between that infinite need and finite resources is the besieged tax system.

But the Top 100 are at the top because they can look, not past, but through the blood and dust and grief and fear of now and see a remarkable process taking place.

A little out of the mainstream of emotion, yet today deeply in contact with the realities that surround them, diverse interests are working to a sane centre.

An Albie Sachs can confess at an investment conference that Maputo has cured him of "shoes for the masses" socialism; Derek Keys can state in Washington that, in spite of some things that still bother him, ANC economic policy is workable.

Common ground is developing. In that common ground, the tax system will be vital But here, too, those who look beyond the obvious are quietly confident.

There is a great need for a balance of perception — if the producers of wealth believe that they are unreasonably burdened, they will leave or stop producing and the people will starve; if the people believe that their needs are not at least partially met, they will stop the producers in their tracks with anarchy.

What is again remarkable when one looks behind the hysteria of the headlines, is the degree to which both sides of the producer-beneficiary divide today subscribe to this balance of perception.

The New South Africa which ultimately will, repeat will, emerge from the chaos and violence of its birth, will not bring lower tax rates for some time, but nor will it see drastically increased rates, it will see some new wealth taxes, none of them crippling.

SURVIVAL

In short, it will see very little that will not be recognisable from today's perspective

But the top 100 in any group are not in Top 100 companies because they think faith and courage can do it alone; even thoughts and concepts, no matter how astute, do not make money. Only actions do

There are two things even the Top 100 must do.

First, they must regard tax as a merely another cost. Girded with their own absolute legality, they must plan their taxes, manage their taxes, and ultimately reduce them within the law, with a combination of sober aggression, sound strategy, uncompromising expertise and the sustained energy warranted by the fact that it is a cost representing much more than 50% of their hard-won profits On this depends their survival.

Second, they must jealously guard their right to do so, for in that lies the difference between the prosperity of the rule of law and the destitution of anarchy or despotism. The strong ones, those at the top, must never waiver in their defence, on their own behalf and on behalf of everyone else, of the law as the sole arbiter between the State and citizen, corporate and individual, in tax and in all else.

That defence must be against all comers; this government, an interim government and a new government. For on this depends the survival of the nation, also the New nation.

■ *Pierre du Toit is senior tax partner, Arthur Andersen & Associates*

Quick-fix for job creation

S/Times (BUSS) 6/12/92

(172)

By CHERILYN IRETON

HUGE investment in human capital is needed if South Africa is to prosper

That is the message from a two-year project which has resulted in a proposed national human resources strategy

The strategy was developed by the Institute of Personnel Management (IPM) after it examined the socio-political and economic factors affecting SA's human resource potential

IPM project leader Wilhelm Crous says South Africans face a critical choice either to slide deeper into an economic morass and face greater unemployment or to make a concerted effort to upgrade skills and provide hope for the future

Mr Crous calls for a quick-fix to deal with job creation and unemployment problems now rather than waiting for a new economic or negotiated political dispensation

"If unemployment is not addressed as a matter of urgency, it is possible that the social fabric could disintegrate to such an extent that no new political dispensation will succeed," he says in the report

The report, entitled HR2000, calls for a national job creation accord Although this will have huge funding implications, the cost of not acting will vastly exceed that of taking action now

Drive

Critical to the success of the strategy is sustainable long-term economic growth For this reason it should be export oriented, should stress the small business and informal sector and encourage development of entrepreneurial skills

Increased productivity and lower inflation must be promoted and value-added products encouraged, says the report

The IPM says the high population growth rate must be dealt with through education and counselling and urbanisation should be encouraged

As a short-term strategy, the economy must be spurred into action through social investment and an export drive

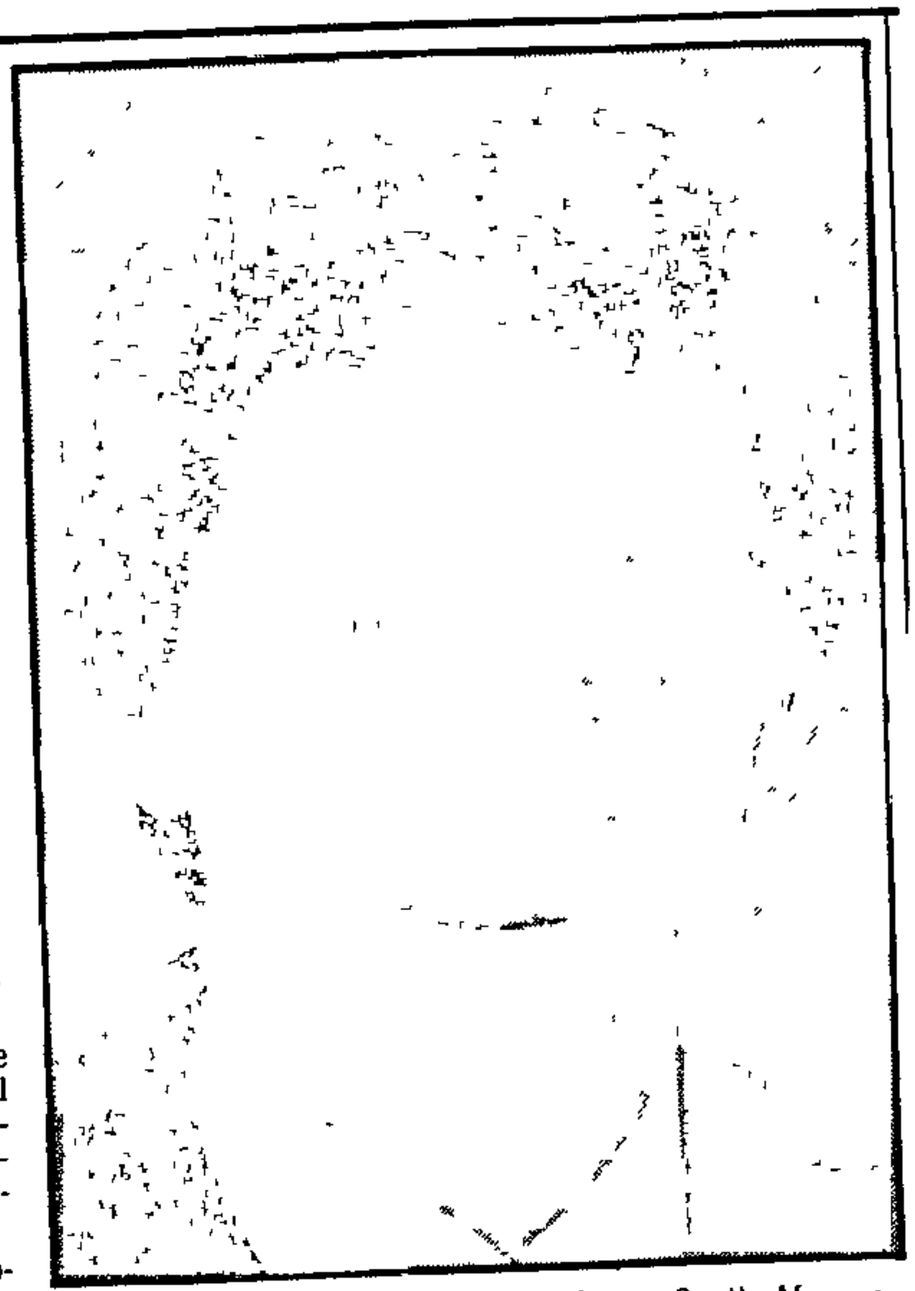
Human capital must also be upgraded The IPM calls for a community-based job and skills creation programme The programme should be highly labour intensive and should stress skills development

At the same time the small business and informal sector — the greatest potential for job creation — should be expanded and upgraded

The IPM suggests a voluntary national community service programme as an alternative to military conscription

This programme would, in conjunction with the community, provide services like teaching and building of houses for rural areas and townships

The IPM identifies other critical priorities as being the need to tackle social backlogs and eliminate racial skewness in employment patterns



WILHELM CROUS Critical choice facing South Africans

Social investment in electrification, housing and education must happen quickly in spite of fears that it will fuel inflation

"The risk should be taken, because the cost to society of not acting will be far higher than the cost of acting and a higher inflation rate"

A small-farmer development programme must be developed and implemented

Such a system would by its nature be highly labour intensive, would enable self sufficiency and help to upgrade and develop rural areas

Preparing the path to profitability

STAR 7/12/92

Retired company executives are quitting their garden deck chairs and bowling greens to volunteer to put their talent and experience back into use to guide a new generation of entrepreneurs into the business world, reports MICHAEL CHESTER

MORE and more budding black entrepreneurs are being steered by the invisible hand of a team of seasoned experts who have come out of retirement to show the newcomers how to climb the business ladder

It is a low-profile exercise to mobilise the talent and hard-headed experience of former corporate executives to act as backroom advisers to the next generation of entrepreneurs.

The retired gurus — engineers and technicians to accountants and salesmen — are being persuaded to pack away their garden deckchairs to join a task force of volunteers known as the International Executive Service Corps (IESC)

Their triumphs as trouble-shooters when new mini-business ventures run into snags are becoming legendary as their numbers grow and their assignments multiply

"It's often on the bush telegraph that we hear about fledgling small firms encountering problems," says Kenneth van de Laar, executive director of IESC South Africa. "We hand-pick the ideal troubleshooter familiar with the snags — and off he goes to put the business back on course.

"Finding the solutions may take a few hours, or several days, even weeks. The root of the problem may be technical, poor bookkeeping, mistakes in production budgets, or difficulties in finding the best markets. Our chaps stick at it until the problems are licked.

"We find lots of enthusiasm and sheer determination in most new mini-ventures struggling to find a foothold in business, but also a lot of inevitable frustration caused by lack of basic management know-how among newcomers to the business world.

"That's where we can mobilise the grey matter of lifetime experience. It's amazing how many executives go into retirement — and then itch to put their skills and talents back into use from time to time."

The IESC, based in the US and backed by the US Agency for International Development, runs a global network of similar operations to encourage Third World enterprise. South Africa had to wait until apartheid was off the agenda before it joined the exercise, but the Johannesburg head office has already spread to branches in Durban, Cape Town, Port Elizabeth and East London.

Scores of former executives have added their names to the roster of volunteers on standby for firms that run into trouble.

Xhosa dressmaker Yolisa Mzamo is one of hundreds of entrepreneurs whose mini-businesses have been set on the road to success.

She was confident she had found the ideal designs for the fashion range of clothes she was producing at the industrial estate at Mdantsane in the Ciskei, but complaints streamed in that the colours began to run when the garments were washed.

IESC trouble-shooter Cedric Harrop, a former director of a pharmaceutical company, homed in on the problem. Yolisa was advised to stick with the designs, but use different fabrics, and a special new set of dyes recommended after a lot of research.

Within weeks the new fashion range was a top-seller in boutiques in Cape Town and Johannesburg. And now orders are flowing in from Germany

The Rivoni Workshop for the Blind at Louis Trichardt also sent out an SOS Though handicapped with no better than partial sight, the workers were packed with enthusiasm but frustrated with the poor profit margins on the wire coat-hangers and wooden stools they were turning out.

Retired engineer Arnold Nelson set off from Johannesburg to lend a hand.

"In the coat-hanger section, production methods were ingenious, but impractical," he reflects. "In the woodwork section, the crafted stools being made looked very attractive, but unprofitable as a business proposition."

Production lines were redesigned. Most of the equipment was replaced. New tools were used. Output rocketed to 2 400 hangers a day instead of making stools, the carpenters switched to making wooden pallets with an instant order book from a large tile manufacturer

It was Nelson's production know-how that also went into the success of a small company that was started in Soweto to manufacture metal window frames for supply to local house builders.

The down-to-earth approach of the volunteer teams was also set in motion to solve the constant problems encountered by township spazas and hawkers who had no access to freezers to keep foods and drinks cold and fresh, either because of the expense or simply the lack of electricity

Volunteer Ray Mitchley sat down to search for solutions with Tony Sibiya, chairman of the Zimbambelemi National Spazas and Hawkers' Association in northern Natal.

The result: the design and production of a low-cost galvanised iron cooler chest, the size of a kitchen table, using blocks of dry ice that keep the contents well below freezing level for as long as 10 days at a time. The design means neither mains electricity nor batteries are needed, and maintenance chores have been reduced to almost zero

A prototype has proved the viability of the unit, and Mitchley and Sibiya believe demand will be enormous once production starts in earnest.

"There are an estimated 150 000 spaza shopkeepers in South Africa," notes Van de Laar "More than half must be without refrigeration so one can easily imagine the impact the new units could have on shopping routines."

Also being developed are new designs for smaller cooler boxes for use by street vendors.

"Bringing more black business ventures into the economic mainstream is both crucial and urgent," says Van de Laar "Our particular concern is that they are run on sound economic principles

"Whatever the eventual outcome of the debate surrounding the redistribution of wealth in this country, it is quite clear that until the population as a whole begins to perceive personal benefits under a system of free enterprise, the future for corporate South Africa will continue to be uncertain

"Most business leaders now agree with that proposition and its corollary that ways have to be found to multiply the numbers of medium to large businesses that are seen to be owned or controlled by blacks

"There are few conglomerates that could maintain their competitive edge if they alone took unique or unusual business risks The ideal situation therefore would be for groups who compete in a particular industrial sector to jointly agree to allocate a percentage of their net profit for investment in a venture capital fund earmarked for new mini-business launches.

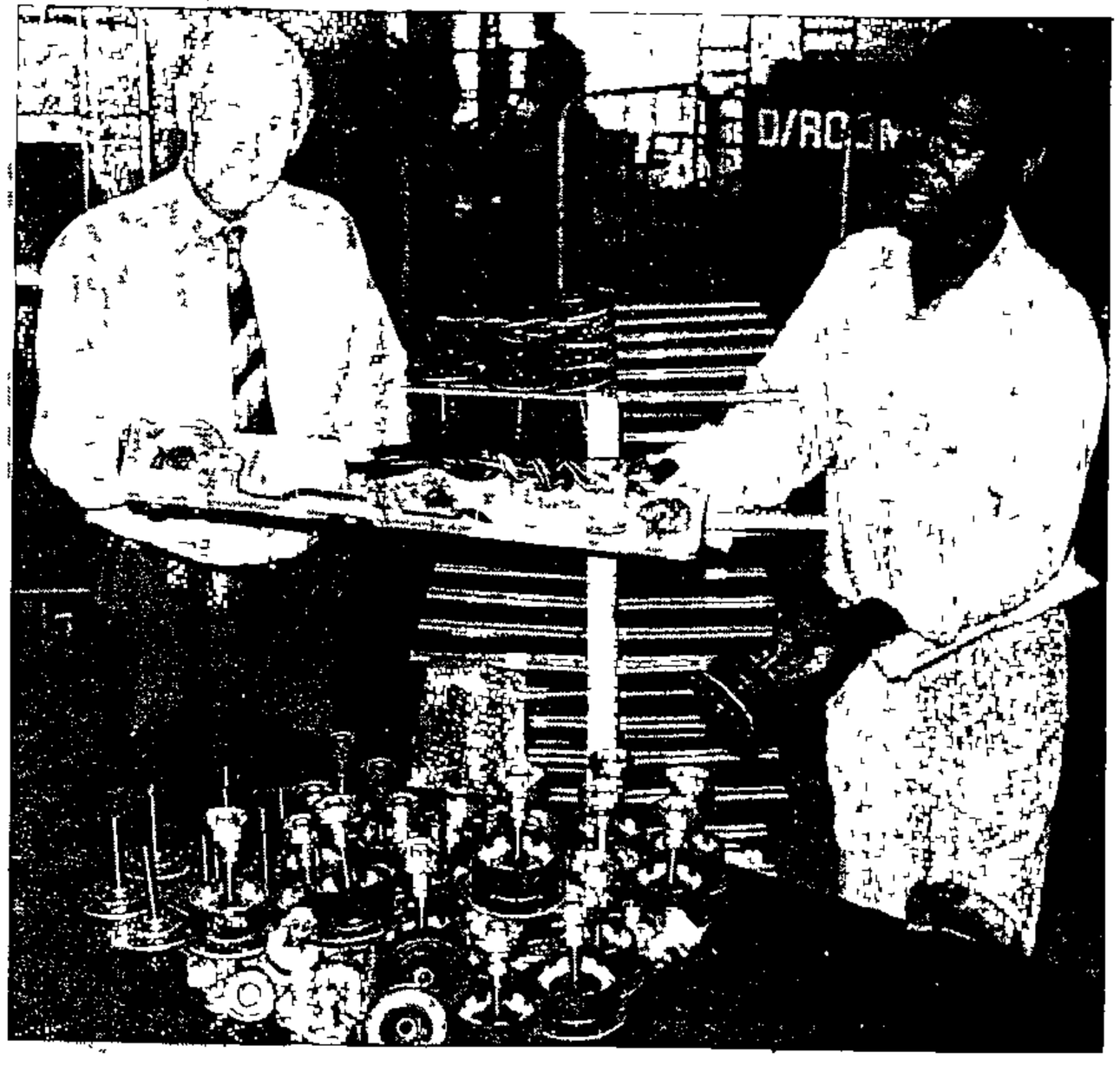
"For example the banking sector, life assurance offices and the mining houses could each set up a fund of their own. Or else they could all contribute to a single unified fund. Overseas international development agencies and foundations have indicated willingness to participate if leading local businesses take the initiative and show their commitment to sustainable development.

"Bridging the gap between the industrialised component of our country and the developing sector of the population is one of the gravest long-range problems and one of the greatest challenges we face today A national network to ensure the survival of the free enterprise system is vital.

"A new culture needs to be initiated at all levels of business life. Opportunities for what has been called internal privatisation should be investigated. Managers should be encouraged to look beyond sub-contracting the catering, office cleaning, gardening and similar services.

"Component manufacture, assembly, finishing and other aspects of production should be targeted

"A new era of lateral thinking and innovative ideas must begin In time we may hope that the process will become colour blind But whatever happens, one principle must be inviolate — the basis for extending black ownership must always be economically valid" □



Success story . . .

Code of business practice envisaged

B/DAY 8/12/92 (172)

ROBERT WICKS

A TASK force to provide guideline recommendations on corporate governance is to be established under the auspices of the Institute of Directors in Southern Africa (IOD).

The move follows a spate of business failures, declining ethical standards and the urgent need to improve accountability in the public and private sectors.

IOD executive director Richard Wilkinson said in a statement the IOD would play a leading role in formulating a "code of best practice" designed to achieve high standards of corporate behaviour

Wilkinson said the IOD had held preliminary discussions with the SA Institute of Chartered Accountants, the SA Institute of Business Ethics, the Association of Law Societies of SA, the JSE and Sacob.

They were all supportive of the project and other like-minded organisations and prominent individuals would be invited to take part in the venture. Quoting from the Advisory Board of the UK National Association of Corporate Directors, he said corporate governance ensured all long-term strategic objectives and plans were established and proper management structures were in place to achieve them, while maintaining the corporation's integrity, reputation and responsibility to its various constituencies

The task force — to be chaired by Frame Group chairman Mervyn King — would try to find a balance between the free spirit of entrepreneurship and the constraints of effective accountability.

"This goes to the heart of companies' — and SA's — competitive position, and it is in the interest of commerce, industry, and government that some code of practice be established without delay," said IOD chairman Pieter Kieser

Kieser said corporate governance was very high on the agenda in a number of countries, including the UK, US, Australia and Canada

"The IOD believes that in the light of recent experiences in both the private and public sectors and business failures this issue should become a priority in SA as well," he said.

The task force committee would be asked to make recommendations regarding the responsibilities of executive and non-executive directors to review and report on performance to shareholders, the frequency, clarity and form of such information, the appointment of audit committees; the principal role of auditors and their responsibilities; the links between shareholders, the board of directors and the auditors, and measures to ensure the future of the code.

Less work for officials

■ MORE EFFICIENT First meeting last week allocated duties to all members:

SOWETAN 10/12/92 (172)

THE GREATER SOWETO CHAMBER of Commerce and Industry is to decentralise its decision making body to lessen the workload on the executive committee

"We feel that this gesture will make the executive committee much more efficient with all its members having a specific task to fulfil," said the GSCCI's new president, Sam Noge

After its first meeting last week, the organisation's new nine person executive divided itself into three sub-committees to implement next year's programme of action.

The first sub-committee will look into management issues, the second has been charged with strengthening the chamber's projects while the third will be in charge of public relations.

Vice-president Wilfred Mokoape heads the management sub-committee.

Promote image of chamber

General secretary John Ngwenya will lead the projects committee with committee member, Makana Tshabalala spearheading the public relations section

"The projects sub-committee will be consulting with the membership on the ground to establish suitable programmes to meet their needs while the public relations has to promote image of the chamber and liaise with our sponsors," said Noge

"The management committee will look into the functions of the executive as well chamber's staff needs"

A additional office to is to be opened early next year to cater for members' interests

Noge said the "incubation" office was being established with the financial assistance of retail giant, Metro.

Metro would also sponsor 12 seminars for members to be held in 1993.

The main objective of the seminars was to train the organisation's members in strategic planning and competitiveness, he said

Integration is this decade's goal

B10my 10/12/92

INFORMATION Technology (IT) alone does not lead to competitive advantage Rather, if IT is not fundamentally changing how companies run, it is not doing its job

This is a key theme in the new Andersen Consulting book, Trends in Information Technology

The goal of successful companies in the '90s is business integration Strategy, people, operations and technology must work together

The book says organisations are drowning in information, yet are thirsting for the data they really want and need "The success stories of this decade will be written by those who learn to manage the information deluge"

It has also become vital to deliver the right information quickly, and to find faster ways to make products and serve customers This places extra burdens on operations, and will lead to different strategies and technologies that create more flexible and responsive organisations

With globalisation a key component in the '90s, and intensified competition, the authors say companies will need to provide consistent levels of high-quality products and services

The book says five key technologies and methodologies will shape businesses in the '90s: (172)

□ Multimedia and the human/computer interface will see more graphical user interfaces and other enhancements to make it easier for people to access the electronic world, and to use the full potential of systems An increasing number of senses will become involved in the interface, and the methods by which users relate to systems will increase,

□ Co-operative processing brings a new processing environment where the main focus shifts from the mainframe to workstations Users have more control over more information, and the systems provide flexibility so that business processes can be re-engineered,

□ With telecommunications and interorganisational networks, there will be more data, image and voice sent over networks, and the book advises telecommunications planners to carefully monitor rapid developments in fibre and digital transmission techniques — as well as connectivity standards across the globe,

□ With about 80% of the typical organisation's IT budget allocated to maintaining existing systems, the fourth technology to watch is object-orientated systems development

The problems of maintenance, of code re-usability and system flexibility are being addressed by this new method of systems development

Object-orientated systems development allows the system to become a software model of the business, and the system is in this way shielded from the effects of change, and

□ There is computer-aided software engineering (Case) which has become an increasingly attractive method of enhancing productivity during systems development By providing an entire development environment for building systems, Case allows systems developers to spend time on solving business problems, and less time on details of administration and co-ordination

Auditor's role unenviable

B/DAY 11/12/92 (172)

ADRIAN DADD

THE recent demise of various companies with high public profiles has raised questions about the role of the auditor The question is often raised as to how apparently healthy companies could have collapsed before the ink on the unqualified audit report was dry.

One of the fundamental assumptions upon which financial statements are drawn up is that the entity will continue in operation for the foreseeable future, which is normally considered to be one year from balance sheet date This is known as the going concern concept.

If the assumption does apply, the assets are typically recorded at cost prices on the understanding that the entity will not have to dispose of them in a forced sale situation. This value is often far greater than the amount obtainable when in liquidation. If the assumption does not apply, the statements should reflect amounts likely to be obtained on a liquidation or break-up basis

One must also distinguish between the responsibilities and obligations of management and the duties of the auditors Management is responsible for the appropriateness of the assumptions underlying the financial statements and the presumption that the entity is a going concern. Auditors rely on management to provide evidence confirming the validity of management's assumptions in concluding whether the financial statements are fairly presented

In considering whether the going concern concept is appropriate, auditors look at adverse financial indicators such as inability to service debt or the existence of ongoing losses; operating indicators as loss of key management, major markets or suppliers; and other indicators such as pending legal proceedings If these factors indicate doubt about the entity's ability to continue as a going concern, the auditor considers any mitigating factors before deciding on the appropriateness of the going concern assumption

Consider the problem for an auditor when the going concern assumption is questioned. The auditor's decision in this regard is very sensitive and it has been argued that an auditor who expresses concern regarding the future of an entity in the auditor's report could find that it is a self-fulfilling prophecy. A qualified report may add to the entity's difficulties, and hasten its demise.

Fear of an adverse effect on a client's situation should never stop an auditor from qualifying his report, because he is not responsible for his client's situation Furthermore, research in the US seems to indicate that fears of a self-fulfilling prophecy are unfounded. The problem is that, if the auditor gives a clean opinion and the entity subsequently fails, the public accuses the auditor of performing a sub-standard audit. Whichever way the auditor reports he is in an unenviable position but, nevertheless, he has to report on the facts as they exist

These facts have hounded the auditing profession for decades, and it is extremely difficult to lay down objective and unambiguous auditing standards as to how the future should be evaluated or how management's evidence should be assessed. No solution has been forthcoming in SA or, for that matter, internationally

Ultimately, the decision regarding the going concern concept is a matter of professional judgment. Different auditors could use different evaluation techniques and come to different conclusions This lack of uniformity and highly subjective approach could lead to confusion on the part of users of financial statements. In addition, events which auditors could not reasonably have foreseen could rapidly overturn the view which they formed when they signed the auditor's report.

The auditor's report cannot and should not be viewed as a guarantee of the entity's ability to continue trading. In a free market economy investors take business risks and should not blame auditors for poor investment decisions, although auditing standards are designed to diminish the possibility of an unexpected failure by ensuring all relevant and material information is available in the financial statements

There is a school of thought which believes that auditors should specifically address and report on the prospects of an entity and its future profitability To satisfy this need, substantial additional work would be required from the auditor, at a significant additional cost to the entity.

If auditors expand their reporting responsibilities to cover the business condition of entities, rather than merely the financial position, a key expectation of the users of financial statements could be addressed. In view of the difficulties discussed, unless there are substantial changes to auditors' legal exposure and unless the users' expectations are feasible, it is highly unlikely that auditors' reports will ever present the information regarding the future which users of financial statements seek

☐ **Dadd is SA Institute of Chartered Accountants auditing director.**

Annabel Gordon laments the lack of a user-friendly service culture in South African businesses.

'Don't call us, Mr Paying Client – we're at lunch

STAR 10/12/92 (172)

IT is so sad — when the Messiah does come one of these days, he is going to have an impossible time of it with South African commerce and industry. Everyone who still has a job, will be in meetings or out of town, no one will return calls.

It is not surprising we have a recession No one is getting anything done because the unemployed are fruitlessly trying to get jobs from uncaring people who never get back to them while the rest are overworked and firefighting crises on a daily basis. So no one actually runs a business intelligently.

But they have time to complain one thing is for sure, business is lousy Sure business is bad — if there is no service, there is no trade If no one is permitted to talk to the boss, the boss can't expect to be in touch with, or know, when there is a deal in the market place His secretary knows even less, that is why she is the secretary and not the boss.

Try telephoning for service in any of the service industries — it will take several persistent calls and eventually, no one will keep his appointment Hasn't it happened to you?

Tourism, we are told repeatedly, will help kick-start the economy. So I stood up to be counted and formulated an incentive for tourists to visit this country, which would serve airlines or tour operators brilliantly Not only is it great public relations, but it is self-liquidating and profitable

But not one top man in the tourism industry can be reached — all are shielded by harassed secretaries screening their calls Certain secretaries can wreck any proposal — you can hear the message, "some dippy dame on the phone says she has some screwball idea etc"

Receptionists too, have this invidious habit of taking a message, but it dies right there Callers foolishly believe there will be a return call, it is after all only polite, but politeness has long since departed the SA business scene

Top travel executives apparently are never in to callers and never return calls They are forever at conventions, or elsewhere, or in a meeting, or at lunch or even abroad Yet there is total panic to fill airline seats because the competition is so great there are more airline seats than bums to fill them (pardon the expression, but it is airline jargon)

Let us take an example of how tourism malfunctions in South Africa imagine there are 500 of God's own angels who have had a terrible time trying to control the violence in SA and now want to fly to Germany

They call several travel agents, no one responds. They call me in desperation I recommend they talk to one of the top ladies in travel — from experience, that, although as busy as the men, ladies have better manners Sure enough, she calls back within the hour Bravo! But she is en route to a convention so suggests they phone the airlines direct

Angels always go to the top But the managing director of the airline with a direct flight is in a meeting When he comes out of it, he goes into another Then he is out for lunch He came back late and left early

"But who is it, what is it about?" bleats the inquisitor, unfairly burdened with the discourtesy of screening calls She carries on concentrating on her typing, phone dangling on her shoulder Quick thinking needed here — pass it to PR The PR passes it to the Tourist Office Tourist Office passes it back to PR Much later, the tea lady passes it as an amusing snippet to the MD The MD habitually never returns calls There is a recession on, you know He has to vie with 30 other airlines to fill seats, no time to take calls It is a crisis, he is having heavy meetings to discuss how best to attract business

The angels are finding the whole business scene tiresome A simple request for 500 seats, first class, cash, during a recession, is proving to be unexpectedly devilish They fax the airline's head office in its home country and a perceptive executive, sensing great business, immediately faxes back deal with our local office!

In a state of deep depression the angels ask "How are we to get past the iniquitous secretaries? Not one South African understands that a client's time is more precious than that of their MD"

"Phone up and say your managing director wishes to speak to their managing director," I suggest

They tried "But who wants him, what is it about?" came the offensive chant "He is so busy he can't talk to just anyone, you know," pouts the secretary

Off she goes, and he can clearly hear her say "Some nutcase keeps calling to talk to you, I can't make out what gives, rabitting on about 500 tickets, says he's Mr Archangel Gabriel — is he a buddy of yours or shall I tell him to get lost?"

But I am no angel, just a South African with an excellent project to help just one clever tour operator or airline. So back to the telephone I go The Minister of Tourism's secretary says "wonderful idea, but he cannot get involved in a commercial deal" Satour's man says "lovely idea, don't waste your time coming here"

And the commercial secretaries chorus "But who is speaking, what company are you from? No, he won't speak to you unless you tell me what it is about I can't understand what you want, spell it for me What did you say your name was Who? What? Hey! I'll get him to call you back" □

FRANCHISING

FM 11/12/92

Importing US chains

(172)

Not long ago a US-sponsored business conference in SA would have been out of the question But not an eyebrow was raised as more than a dozen US franchisors marketed their companies to would-be entrepreneurs this week at a conference underwritten by the US government

"The economic actors cannot stand by and wait," for the political process to unfold, US ambassador Princeton Lyman told the 200-plus delegates at Johannesburg's Carlton Hotel for Africa's first international conference on franchising It was co-sponsored by Webber Wentzel, Deloitte & Touche, Ned-Enterprise and the *FM*

The event was organised by the Washington-based International Franchise Association — an umbrella group for the 355 American franchisors with 35 000 outlets in 60 countries — in conjunction with the Black Integrated Commercial Support Network The network, which was established in June and is based in Randburg, is funded by the US Agency for International Development

"Over the expected five-year life of this project, we seek to put together 250 business deals that will see black-owned enterprises flourishing in the mainstream economy, train 500 new entrepreneurs and undertake a range of additional activities that strengthen the role of black business people," says network CE Leyland Hazelwood

The network has targeted franchising as an important vehicle to spur economic empowerment "Internationally, franchising is the success story of the Nineties and we believe it is poised to take off in SA," Hazelwood says

Franchising in SA has a long way to go to catch up with the US, where more than one-third of all retail sales are through franchise operations Here, that figure is estimated to be just 6%

International Franchise Association president Bill Cherkasky predicts rapid growth in the market. "There's a sophisticated population, a lot of money and a lot of pent-up demand " He adds that he can "predict with certainty" that the big-name American retail franchises, such as McDonald's, will begin setting up shop in SA as soon as an interim government is in place

Cherkasky says the franchisors are here to do business whether the money comes from blacks or whites, though finding black franchisees would be nice The American government, he adds, subsidised the R990 fee for the two-day event for some black delegates

He adds that the participating franchisors are what he would call emerging businesses It might cost US$300 000 to buy a McDonald's franchise but only about $2 000 to establish a Jani-King janitorial service Other participants included

- ☐ Mail Boxes Etc — founded in 1980 in California, the listed company has 1 800 centres around the world that provide postal, business and communications services,
- ☐ Futurekids, Inc — a private company based in Los Angeles, now the world's largest chain of children's computer schools, providing instruction in 1 000 locations in the US, Canada, Japan, Australia and Indonesia,
- ☐ Citizens Against Crime — based in Texas, the company gives seminars on crime prevention and sells products such as tear gas, reflectors for disabled cars and warning stickers, and
- ☐ Kwik-Kopy — a copying and duplicating service based in Houston, which already has 13 outlets in SA

The conference was the first major event for the Black Integrated Commercial Support Network, which has been operating "in a low-key way because we don't want to raise expectations," according to Hazelwood He says the network's primary role is to assist in identifying, training and advising entrepreneurs, especially those with the fire-in-the-belly quality

Fire is one thing but funding is another The network is establishing an equity capital fund with money from private sources here and abroad Hazelwood predicts that the fund may grow to R100m, though commitments right now are tentative He says donors will remain uncommitted until there is an interim government and more stability

"If they put in $1m, they want to make sure their money isn't blown away More than enabling environment, SA needs an inviting environment The feeling is that it is not yet inviting enough " ■

BUSINESS

Anglo plan to help the poor

w/mail 11/12 - 17/12/92 (172)

Anglo nas responded positively to the ANC challenge to present alternatives to nationalisation, reports **REG RUMNEY**

THE Anglo American Corporation has come up with some sensible ideas for tackling poverty in South Africa.

The proposals are contained in a draft document, put together by several people at Anglo, and published in summary form in the latest issue of *Optima*, Anglo's corporate journal.

The document was clearly a response to the African National Congress challenge to business to present alternatives to nationalisation But *Optima* remarks that political groupings approached did not take up the invitation to debate the ideas proposed.

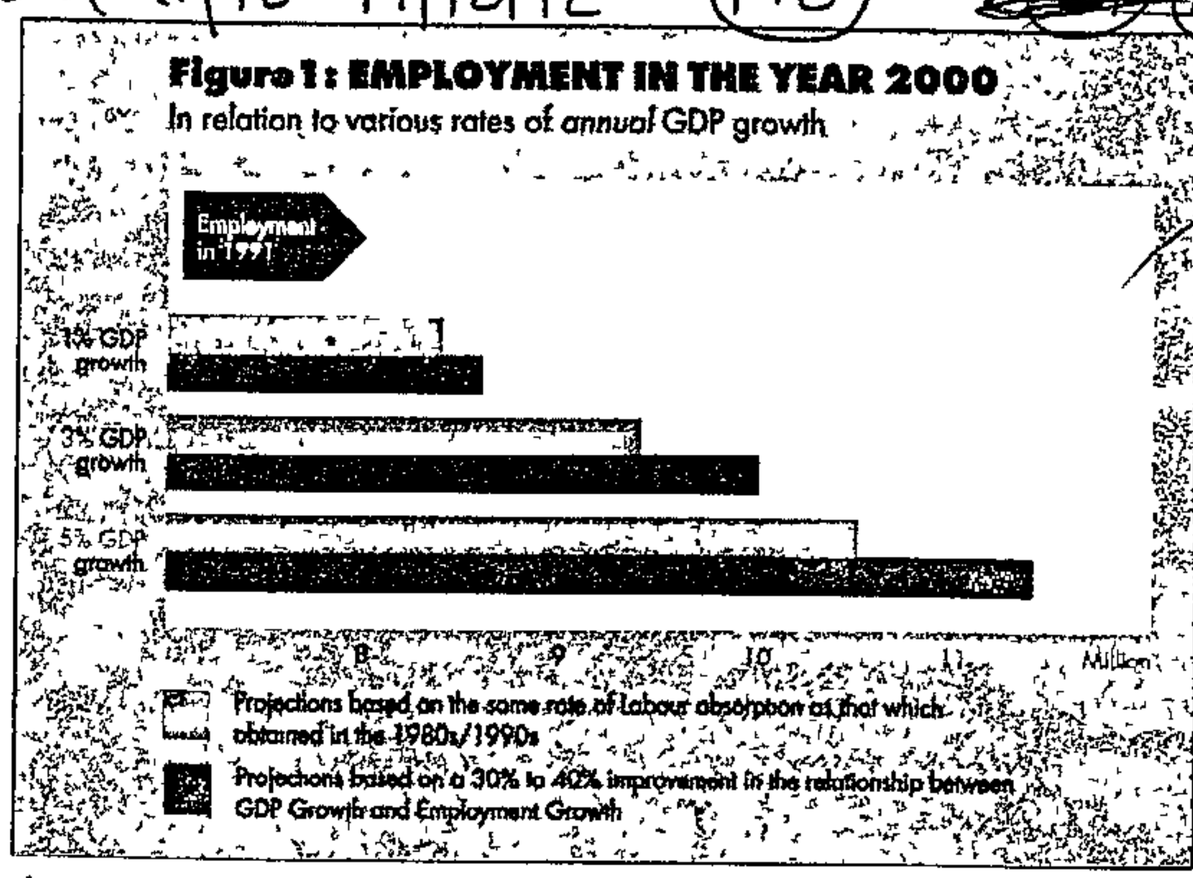
Understandably, the proposals fall within the business community's free-market ideology Anglo stresses at the outset: "Economic growth is the only meaningful way to reduce poverty over time." The authors quote a World Bank study to show that a "market-friendly approach" by government to poverty alleviation is a pre-requisite for economic success. They remind that unsustainable social spending and over-extension of the tax base is a common cause of growth collapse and increased poverty And they strongly if not blindly support the growth of the informal sector

Anglo, however, has also compiled an array of programmes which could form part of a short-term anti-poverty strategy, crucially ensuring access to water and job brigades to soak up unemployment.

The authors have even drawn up a rough budget of the annual cost of some such anti-poverty strategies. This gives a cost of around R12-billion and isn't immediately possible — it would probably double the Budget deficit Tradeoffs will be necessary, though higher growth of five percent a year or more makes more possible.

In the course of identifying short-term interventions the report takes a close look at poverty in South Africa, making some useful observations and liberally quoting younger, less conservative, economists like Peter Moll and Nicoli Nattrass as well as the World Bank and establishment thinkers.

Above all, the authors note the really dire poverty in South Africa is rural. And they say the need to address absolute poverty in South Africa is unquestionably more urgent than putting right relative poverty.



Source: Optima

Growth, it shows, using an Urban Foundation study, will automatically lead to a narrowing of South Africa's income gap

For example, a 2,5 percent growth in gross domestic product between 1991 and 1995 will mean real per capita incomes for blacks, coloureds and Asians will be 15 percent higher in 1995 than they were in 1985. By contrast, white per capita incomes will have fallen by 9 percent.

But this conceals wealth movements within race groups So inequality within such groups could increase while equality between race groups falls.

In the Philippines an improving proportion of income going to the poorest 40 percent of the population between 1961 and 1971 hid the fact that the share going to the poorest 20 percent fell drastically

The poorest of the poor — the people without access to housing, basic health care, adequate nutrition or clean water — cannot afford to wait for the kind of gradual adjustment in the economy brought about by a steadily climbing growth rate, say the authors

These people will also be hardest hit, they add, by a restructuring of the economy aimed at an immediate reduction of income and wealth inequalities between racial groups, at the expense of addressing the problem of poverty *per se*

Noting that 12-million South Africans, mostly in rural areas, don't have access to an adequate supply of clean water, they cite research to show basic water and sanitation could be provided with R11-billion capital cost plus R600-million recurring costs a year They suggest a number of specific actions, such as greater use of underground water by urban communities to allow water from central dams to be re-routed to dry areas.

Examining the increasingly popular idea of job brigades, the authors warn against the short-term political benefits of using them for grand public works programmes. They should be used to create assets from which the poor will draw particular benefit, such as erosion control in the homelands And they could be used to reinforce other components of an anti-poverty strategy including water supply and construction of basic health care or educational facilities

"Where possible, job brigades should be run along more than simple 'make-work' lines, but this need not always be the case. Indeed, the World Bank (1990) and others recommend job brigades essentially as welfare programmes where the objective is simply to get income to poor families by setting wages low enough to be unattractive to the non-poor "

The authors warn against large-scale job creation projects: talk of employing a million or more people at wage rates comparable with those in the formal sector, they say, would cost too much, consuming around R9-billion in 1990 prices, or four percent of gross domestic product a year They may also compete with existing formal sector employment, possibly limiting current job opportunities

New facet to NBS operation

STAR 12/12/92

THE NBS group has set up a financial services and risk management company — an operation independent of the lending institution. Trading is expected to begin in February.

The company, still to be named, is aimed at "contributing to a broader base in the NBS funding requirements".

John Gafney, group managing director of NBS, says "This new investment will provide a further diversification of earnings and growth that will contribute to performance of the group." (172)

Managing director of the new company is Bill Schother. Executive directors are Dave Barber and Theunis Lategan.

THE CHANGING SA: *Experts underline positive political, economic aspects*

Small firms given hope for future

STAR 12/12/92 (172)

PROF SCHRIRE: "Tremedous progress."

NIC FRANGOS: "Time to reposition"

THINK and act positively — that's the message during this time of uncertainty and pessimism. LEIGH HASSALL continues her series aimed at guiding the entrepreneur through the hazards of launching a business

GUN BATTLES at the corner cafe, declining sales at squeezed profit margins and the stress of the on-off political scenario all contribute to the seemingly pervasive air of pessimism among small business entrepreneurs today

However, all good things come to those who think and act positively and the business arena is no different

Chartered accountants Kessel Feinstein recently hosted a presentation aimed specifically at entrepreneurial companies in an attempt to reduce the confusion and pessimism which is impacting on growth-oriented businesses

The focus was on providing entrepreneurs with new ideas and perspectives for developing their business strategies for 1993 Expert speakers gave their views on the political scenario, the economic enviroment, operating a business in times of uncertainty and the psychology of managing uncertainty

Professor Robert Schrire of the department of political studies at the University of Cape Town elucidated the political changes since 1990

Violence

Encouragingly, he said, tremendous progress had been made on the political front without it always being realised Viewed in perspective, he added, several of the stumbling blocks or "irreconcilable differences" which existed between the Government and the ANC appeared to have been resolved

The negative factors affecting the reform process included the economic decline, the legacy of the past, weaknesses of both the white and black political parties, as well as the ongoing violence

However, the existence of a real balance of power in South Africa was a definite positive factor for surviving the reform period

DR FRIEDMAN: "No need to be preoccupied with disaster"

Schrire added that on the one hand the ANC had the power of the vote in numbers, but the whites had the power of expertise and control of the State and democracy South Africa also had in its favour a strong civil society which was supported by a solid business community

□ Mike Brown, economic and investment consultant at stockbrokers Frankel Max Pollock Vinderine, offered his predictions on the 1993 economy He said that in view of the massive Budget deficit, the VAT rate was likely to go up by 2 percent

On a more positive note, he forecast that interest rates would decline by a further two percentage points Inflation had already shown a marked decrease and was currently running at an annualised month-to-month basis of 10 percent

Brown said the export sector would be one of 1993's building blocks In 1992, exports comprised 25 percent of gross domestic product He added that export activity would rise, despite an increase in protectionism in the non-American countries

□ The lack of reliable information on which to base decisions resulted in a sense of loss of control and helplessness in the business executive This was the message of Dr Merle Friedman, clinical psychologist and senior lecturer in the department of psychology at the University of the Witwatersrand

She advised entrepreneurs to move away from a defensive approach and look for the inherent opportunities which existed in the South African market place

Ways to achieve this resilient approach included eliminating preoccupation with disaster; developing psychological resilience through effective stress management and social support, building resilience within one's business, for example, with a flatter management structure

Market share

□ Nic Frangos, group chairman and chief exective of listed electronics group Datakor, gave advice on how the entrepreneur should be managing his business in these times of uncertainty He said the entrepreneur should be using this time to refocus on his own business issues

He added the current climate was ideal to increase market share by repositioning business units to benefit from the inherent opportunities in the market.

Frangos stressed the importance of adapting to the continually changing environment He advised entrepreneurs to develop a step-by-step strategic planning model to analyse their businesses' present position, where they would like to be and plans on how to get there

TAKING STOCK OF SA: *Country can get its act together, but it may not have had enough shock therapy, says legendary industrialist*

Diversity is our strength

STAR 12/12/92. (172)

MAJOR problems beset South Africa — and no one is better qualified to assess them, and to offer practical solutions, than industrialist, businessman and philanthropist Anton Rupert. He spoke, in an exclusive year-end interview, to Cape Town editor and publisher HUGH MURRAY about how he sees the future.

MURRAY: For an organisation to succeed, it needs good managers. Does South Africa have sufficient depth in this regard?

RUPERT: I think we have lost far too many good people. We should get them back, and I think many will be prepared to come back. I have hardly ever met a South African who doesn't want to return. The magnetic quality of this land is strong. In the meantime, these people have gained an enormous amount of experience overseas that will benefit us in the future. We need their inputs.

But this is not all. We have to entice people here by making them better offers. And if we fail, the consequences could be very sad.

WITHOUT adequate political management now, do we not face total chaos?

THE highest priority is for our leaders to reach consensus. If they do not achieve it, there will be nothing left for them to control. There will certainly be chaos. Still, I believe they have enough sense. Mr de Klerk, Mr Mandela and Dr Buthelezi are high-quality people. But they have to understand that there is no more time.

OUR currency's real value is out of sync with our trading partners. Where should the rand be?

THAT'S difficult to say. However, I can tell you that unless we get salaries and wages under control, the rand will drop and drop. We are completely out of tune. We pay a minimum wage of R10 an hour to sweepers in our tobacco factories. If you add housing, pension and medical benefits, this comprises a minimum of R2 700 a month. Yet some still [illegible]

high degree of efficiency.

CAN we compete in this area?

THERE is a problem looming, and that is increasing automation. Our workers need to understand this. You ask whether we can compete, and I say yes, but the only way we can compete against automation is with productive wages.

CAN you take union leaders along with you on such a contentious matter?

WE NEED to take these leaders to places like Hong Kong, Singapore and Malaysia to show them what is happening. Certainly one doesn't want to underpay people, but things get serious when societies undergo radical transformation.

IS NOT one of our problems in South Africa short-term thinking and planning?

PART of our Americanisation has been this quarter-by-quarter reporting. One advantage of family-controlled companies is that one is not under that kind of pressure. If you start a new industry and pay a dividend in the first five years, I think you are bound to fail. Industrialists cannot think short-term.

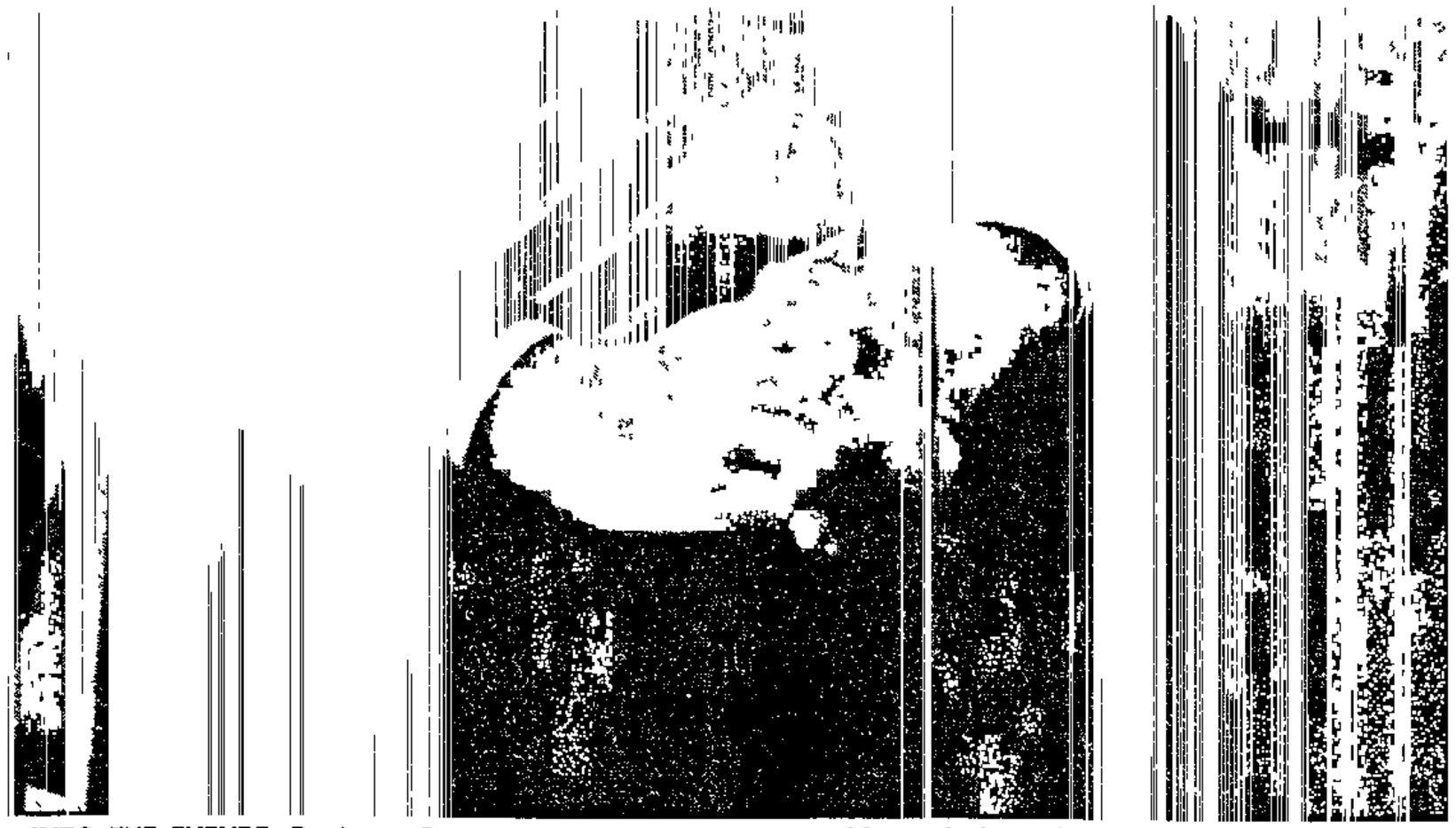
ON A political level: Do you favour any particular system?

I BELIEVE the Swiss system is the one that could work. We need a federation, not a union. Furthermore, the system needs to be broken down into local units. I don't mind how many there are, but they must be economically viable. Small units would work.

We must look at what is most important to people — what binds them together. Generally, it's things like the church, the school, the local rugby or soccer team, and so on. This is what we must focus on. I am also convinced that our strength lies in our diversity. I would have suggested the motto Diversity is

sense. Mr de Klerk, Mr Mandela and Dr Buthelezi are high-quality people. But they have to understand that there is no more time.

OUR currency's real value is out of sync with our trading partners. Where should the rand be?
THAT'S difficult to say However, I can tell you, that unless we get salaries and wages under control, the rand will drop and drop We are completely out of tune. We pay a minimum wage of R10 an hour to sweepers in our tobacco factories If you add housing, pension and medical benefits, this comprises a minimum of R2 700 a month Yet some still strike Our industries cannot compete and the rand will remain under pressure until we have a government strong enough to understand and act on what I am saying to you. We are in competition with countries like Malaysia and Singapore. These people are highly intelligent, very effective, and they work.
CAN we emulate the Pacific Rim experience?
YES we can — provided we contain our costs Then we need stable government, a strong currency, in the sense that it retains its value, and we must control our wants and desires within reasonable limits Unless we are able to cut our coat according to our cloth, we will not make the grade. I believe we can do it, but I don't know whether we have had enough shock therapy
DOES the level of corruption in business and government circles not cause concern? There seems to be a massive decline in financial morality.
YES — on both accounts. There is an urgent need for us to regain confidence in our currency If governments do not see to it that their currencies are stable, people start becoming really dishonest Also, if you think about it, virtually every great power that has fallen has done so when its currency collapsed. You can hold it up artificially for a while, but the end is inevitable I'm not saying I wouldn't put these people in jail, but I can understand how it happens.



INTO THE FUTURE: Dr Anton Rupert sees automation as a problem which workers in South Africa need to understand The only way to compete is with productive wages, he says.

I LIVE in the future One of the problems of my life is that I have probably paid the price for living too far in the future I saw problems We have all the problems of tomorrow without the sympathy of the world of today In the late 40s, I saw what the future was going to hold for us And, of course, it has happened. It gives me no pleasure to see this

□ □ □

THE highest priority is for our leaders to reach consensus Mr De Klerk, Mr Mandela and Dr Buthelezi are high-quality people. But they have to understand that there is no more time

DR ANTON RUPERT

IT EVEN becomes a fashion as some civil servants, perhaps worried about their pensions, make hay while the sun shines. We had a fantastically honest civil service, whose ethics we inherited from the British I think it is still excellent, but judging from the number of court cases I see reported in the newspapers, there is a serious tendency towards graft. But I believe these things are related to the decline in our currency Perhaps a priority is to make sure the Reserve Bank is truly independent of this Government — any government for that matter — so that they can get on with the job of rigorously maintaining the value of the rand.
OUR national product is starting to look really shabby. We still have to market ourselves out of this appalling situation. How do we start?
FIRST, you cannot — or should not — advertise a bad product. This will ensure that you will not easily have an opportunity to sell it again. The product must first be right. Then we have to remember that the customer is king We have to adapt ourselves to the customer When a young man joins me, I tell him immediately that he is not working for me but for the customer

If we are selling overseas we have to be better than our competitors, and they include every country in the southern hemisphere. We have got to be better, more honest, and work harder We have a lot of competition What's more, we must decide what are the right products
IF you had to look at South Africa as a group of companies with diversified product ranges, what would the most attractive of these be?
OUR biggest and best industry, which is there for the taking, is tourism With the game parks rating among the top in the world we can certainly attract wealthy visitors But we need to allow companies to arrange extensive charter flights If Lufthansa can do it with their Condor airline, so can we But we need to recognise the mutual dependency of eco-tourism and nature conservation, and then rationalise responsibly these aspects
YOU have a particular interest in the Peace Park to be established up on the Kruger Park and Mozambique border. What is it like?
IT'S absolutely fantastic — and it will happen if they have peace in Mozambique President Chissano is very keen on it. The land is ideal for game and could comprise various eco-systems
ARE South Africans showing an aptitude for a sophisticated industry, such as the manufacture of electronic components?
ANYONE with hands can work in this field If I see the way some African women work, with beading and so on, why can we not train them to do what their counterparts on the Pacific Rim do? Obviously, we'll have to give intensive training of a sophisticated nature But we can achieve a your any particular system?
I BELIEVE the Swiss system is the one that could work. We need a federation, not a union Furthermore, the system needs to be broken down into local units I don't mind how many there are, but they must be economically viable. Small units would work.

We must look at what is most important to people — what binds them together Generally, it's things like the church, the school, the local rugby or soccer team and so on. This is what we must focus on I am also convinced that our strength lies in our diversity I would have suggested the motto Diversity is Strength, rather than Unity is Strength, for this country
YOU have been a great proponent of partnership, which seems to stand you in good stead philosophically for what lies ahead.
IT comes from a basic belief that there is no other way Partnership has stood us in very good stead and everything we do has been built on that concept.
HOW about your foreign partnerships? You must have had some difficulties there because of local pressures.
IT was difficult. But we are innovators — always cats on a hot tin roof And we're never satisfied

WHAT do you want to do in the foreseeable future?
I'M doing what I like doing — nature conservation, small business, the art foundation as well as the other four foundations I'm involved with I spend most of my time with that. I'm busy now, and interested enough I only hope that in my lifetime I'll see a flourishing South Africa, a stable society and a stable government.
HAVE you ever failed at anything?
I FAILED in selling the idea of partnership to all and that our strength lies in our diversity I have tried to encourage change, and I'm thankful it has happened in my lifetime But I pray the change will not lead to chaos I don't want to see chaos. I want to see a great, equitable society of which every citizen will be proud

● *This article appears in the inaugural issue of Millennium, a magazine published by Churchill Murray Publications of Cape Town for the first quarter of 1993*

dard Bank Investment Corporation's own decision to issue R290-million in debentures two years ago when changes across 19 investors.

"Ultimately, the market will determine what level is acceptable to both borrower and lender with respect to the

supportive of the proposals for a corporate bond market

The launch of SAB's "vanilla bond" has paved the way for future issues in flavours to suit all tastes.

GRANT ANDREWS LOOKS UP AGAIN

"TURNOVER is vanity, profit is sanity" is the philosophy now adhered to by Grant Andrews, executive chairman of the office furniture company that bears his name.

His business, established 15 years ago, grew from rags to riches, back to rags, and is now slowly recovering after undergoing traumatic cutbacks this year

"When we listed on the JSE in 1987 we succumbed to the temptation to grow too quickly and away from our core business," reflects Mr Andrews

"We had a big board, cash in the bank and, unfortunately, it was burning a hole in our pocket.

"What we should have done was retool our factory and improve core operations or left it in the bank instead of spending all of it and more on 16 other businesses."

GA Holdings was delisted earlier this year after a rescue package offered by the Fedlife Capital Fund required that Mr Andrews himself regained control of the company — it encourages accountability

Minorities were offered 25c — attractive under the circumstances It was touch and go whether the business

Grant Andrews ... succumbed to temptation

S/Times (Buss) 13/12/92

By JULIE WALKER

would survive Several competitors have gone under in this lengthy recession.

The revamped management team at Grant Andrews has closed or sold all the businesses it got into over the past few years.

"We were into everything, from retailing to school furniture. When we took back control of the company we had been acting as lawyers, merchant bankers and accountants instead of focusing on the business of selling quality office furniture."

Grant Andrews has been downsized from the R70-million turnover yet R5-million loss position of a year ago In the last nine months, sales of R20-million have made small but growing profits

Winning the 800 work-station contract for Anglo American's head office was a plus for the group, which concentrates on the upper end of the corporate market

Other orders have come from Rio Tinto, extensions to Absa's head office, Deloitte Touche, Bank City, Lost City, Genbel, the Financial Services Board, Guinness Breweries and Nova Nordisk

"We are back doing what we know, talking to the customer and keeping our eyes on the business The recession is not over; the improvement has been because we fixed the business"

His biggest regret has been having to retrench staff

"I'm a people person, a salesman It was not easy for me

"But it's all behind us now Without the loyalty and support of our customers, suppliers and bankers, management and staff we could never have made it

"We are a lean and committed team, and although we don't expect the economy to pick up next year we are in a much better position to face the future.

"We are targeting our contracts and have a success rate of better than eight in ten Never again will we chase turnover for the sake of it."

172

JOB MARKET

Annual reports could do better

S/Times (Buss) 13/12/92 (180) (172)

Business Times Reporter

SOUTH AFRICAN annual reports remain world class but provide too little information on company prospects and capital expansion programmes

This is the conclusion of the Institute of Chartered Secretaries and Administrators (CIS) in announcing the results of the 1992 Annual Report Competition.

This year's winners in their respective categories are Rand Mines, First National Bank, SA Breweries, York Timber, Anglo-Alpha and Southern Life.

Rand Mines won a special award for coming first in the mining category five years in a row.

CIS chief executive — and chairman of the competition's panel of judges — Alan Barrable says there was an overall improvement in the quality of annual reports this year.

Target

The lack of detail concerning long- and short-term prospects, however, was disappointing

"While we accept that the future is always a moving target, we felt that shareholders and analysts deserved more detail about budgets and forecasts."

He says it is disturbing that few companies provide inflation-adjusted accounting in a high inflation environment.

Companies also failed to provide much detail on capex programmes, but there was an improvement in information on industrial relations, social involvement and environmental activities.

From next year there will be a special award for environmental reporting.

The competition aims to stimulate responsible and clear annual reporting on a par with that practised overseas.

Entries are received from most leading companies listed on the JSE. They are judged on content, presentation and the quality and quantity of information.

Skills shortage best overcome by improving Black training

By Stephen Cranston

Severe skills shortages at senior and middle management level will be the most important challenge facing the insurance broking industry in the next 25 years, says Mike Hofmeyr, managing director of PFV Insurance Brokers.

"Our industry will be competing with insurers and reinsurers in a shrinking labour pool for the people with the best skills," he says.

In the top seven life companies, black managers represent 2,7 percent of black staff, while white managers represent 28,1 percent of white staff.

"In South Africa unequal and inadequate education, the brain drain of the '80s which dealt the insurance industry a severe blow, and very low immigration figures have combined to create these skills shortages, as well as an education shortage at entry level.

"We face a desperate shortage of managerial, engineering and technological skills," he says.

Mike Hofmeyr . . . "tokenism is out."

Technology in the insurance industry represents an ideal opportunity to cut down on unnecessary duplication of activity between insurers and intermediaries

"With greater trust and goodwill between the two parties this shortage will not exist 20 years from now. Electronic Data Interchange will easily facilitate this.

"While technological innovation in manufacturing most often emanates from materials and methods, in service industries the primary wellspring is information.

"Data is the most valuable raw material which service firms possess even though it never appears on the balance sheet. We are going to need people with the skills to process this data into a format upon which management decisions can be based."

The ANC has already outlined its future stand on business with calls for affirmative action and economic empowerment of blacks, including the acquisition of knowledge, skills and expertise.

"Proactive support and encouragement on joint ventures and partnerships with black enterprises and black people in general are also sought."

Hofmeyr argues that, in the light of this, "tokenism is out of the question."

Cosmetic situations, such as firms owned by whites but fronted by blacks, will be exposed for what they are and lose credibility with the public

"There are predictions that more than 20 percent of the clerical labour force will be black by 1995 and at senior level, predictions are that companies in the insurance industry will have in the region of 10 percent black executives by then.

"Insurance companies are spending between two and three percent of their income on training — and this figure will have to double within the next four years.

"We may see organisational structures change quite dramatically as the skills shortage deepens, since most organisations which follow popular management wisdom based on divisionalised structures and decentralised authority, will have to move to functional structures with more centralised control and better use of skills over a wider front"

'Directors responsible for fraud control'

B/DAY 17/12/92. (172)

GAVIN DU VENAGE

DETECTION of corporate fraud rested "squarely with the directors of the company", Johannesburg Chamber of Commerce and Industry president Stuart Morris said in the organisation's latest newsletter

He said white-collar fraud had increased by more than 700% in value over the past five years, even though incidents were up by 66%

"Management is involved in only 28% of the incidents of fraud discovered, but the value involved in fraud by management is an alarming 75% of the total"

The purpose of annual statutory audits was to express an opinion on a company's financial statements, and external auditors should not be relied upon to detect fraud Most fraud cases involved collusion among employees, falsification and forgery of company documents, aid managers overriding or abusing their power

Morris listed 10 symptoms of fraud in an organisation

- ☐ A dominant CE or manager who frequently circumvented established systems of controls,
- ☐ Employees who lived beyond their means, or who suddenly underwent a drastic change for the better without any obvious reason,
- ☐ Key employees who were protective of their work, did not take holidays and worked excessive overtime,
- ☐ Poor segregation of duties between employees, enabling controls to be compromised,
- ☐ Loose accounting,
- ☐ Dependence on one key person to run control systems, particularly when these were computerised,
- ☐ An environment where the markets offered fraudulent opportunities, such as kickbacks or bribes,
- ☐ Schemes in which management compensation was strongly linked to results, or where employers focused mainly on short-term results instead of longer term strategy;
- ☐ Complex group stuctures or joint ventures, and
- ☐ Employees with a combination of factors, such as greed, the opportunity to obtain resources illegally and the expectation they would get away with it

Morris said basic preventive measures included a corporate code of conduct, effective internal controls, thorough reference checks and management teams more involved in running every aspect of the company

Companies opt for car allowances

B/DAY 18/12/92. (172)

ROBERT WICKS

THE escalation in vehicle prices has forced many firms to opt for car allowances rather than supplying company cars, a recent survey by International Compensation management consultants (IC) indicates

The survey of 172 SA companies found that only 31% provided company cars compared with more than 50% in 1990

IC director Dave Dickens said the trend was likely to continue as firms rid their balance sheets of unproductive assets and contained costs

"Given that new car prices have escalated at approximately 20% per annum compounded over the past five years, the cost of providing company cars represents an ever-increasing proportion of payroll costs," Dickens said

The survey found that company cars made up 25%-40% of remuneration packages

"If we assume that new car prices will continue to escalate at similar rates, the cheapest new car on the market will cost R180 000 in 10 years time," he said

Dickens said a car allowance scheme incorporated into a total remuneration package gave employers a better chance of containing costs than a company car scheme linked to a particular benchmark vehicle

It also relieved employers of disposal problems, and removed the status element conferred by company cars on employees

The employee benefited through freedom of choice and stood to acquire a tax free asset at the end of the day, Dickens said

Commenting on the possible effects on the car market, Dickens said a trend to downgrade was expected

"This could occur partly through a move to leisure vehicles which will have a major impact on the luxury market, and partly through the employee's need to utilise all possible sources of income during recessionary times."

Before the introduction of fringe benefits taxation in 1985, company cars accounted for virtually 100% of the transport assistance provided by employers

By 1986 the figure had dropped to 70%, Dickens said

PIMS programme now available in SA

S/Times (BUSS) 20/12/92. (172)

The world renowned PIMS research programme has been extended to SA. Dr ANDY ANDREWS, who will be providing the research, describes the programme

THE Profit Impact of Market Strategy (PIMS) programme was started in the '60s by the General Electric Company and the Harvard Business School

It consists of strategic operating and competitive data on thousands of businesses over extended periods of time

Research on the companies has produced a set of principles for business strategy so effective and consistent that managers are able to predict how strategic choices and market conditions affect performance

Companies are able to access the database, the most comprehensive strategic database in the world, and to access the impact of various strategies

By learning from experience based on a vast number of different businesses, we can show the important linkages between strategy and performance

I maintain that most businesses don't know what they should be earning nor whether their business plans will really create value

Most managers have very limited experience, much of it clouded by their own interpretation and biases, and yet are making important strategic decisions based on a handful of experiences It is simply not good enough for success in the '90s

PIMS will be especially valuable to firms that wish to "benchmark" themselves against their global competitors on a wide variety of strategic variables, such as market share, quality, vertical integration, investment intensity, capacity utilisation, labour productivity and so on

Access

Based on actual experience, PIMS can show how quality boosts profit margin in different ways and earns superior returns It verifies how market share affects performance, but also shows why not every business should attempt to gain share

I will be providing access to what Tom Peters, in his book **Passion for Excellence**, described as the most extensive strategic database in the world and then build a South African database for local benchmarking Participating companies will be able to compare themselves with the local counterparts — a so-called "Currie Cup" league — and then with the world's best — the Olympic record-holders — so as to be able to decide how to build truly globally competitive business

The database is used extensively by many of the world's leading firms for benchmarking, performance evaluation, quality profiling, acquisitions and dispositions, portfolio analysis and so on

It provides a unique opportunity for South African firms to find out how they match up to their international competitors

This data shows the power of market share. On average, market leaders (ranking as No 1) earn returns on investment (ROI) that are three times greater than businesses that rank fifth or worse

We can put the data into perspective by comparing them with a pretax "hurdle rate" of 20% We can see that the market leaders beat that rate by more than 10%, but the low share players fall short by some 10%

Benefits

Why is market share so profitable?

As the above research findings show, the impact share on profitability is both real and important But why?

There are a number of theories that account for the impact, but one of the most important is the effect of economies of scale

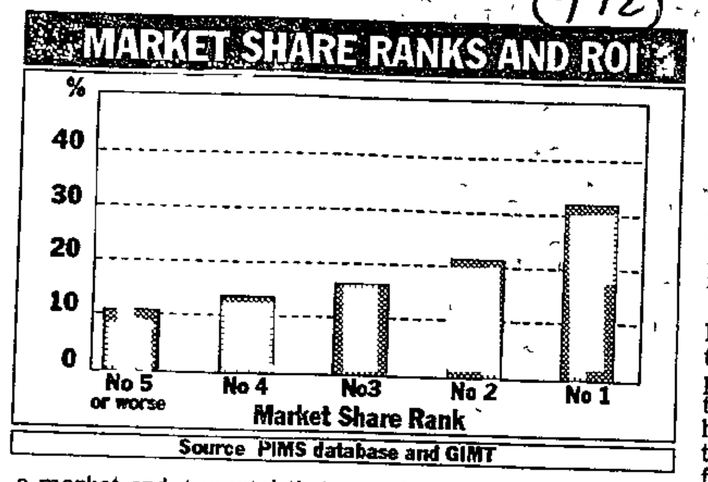
The high share of market (SOM) player benefits to a greater degree than competitors from economies of scale in manufacturing, marketing, purchasing and so on

The table above shows some of these relationships The table shows what the effects are, as the cost structures differ dramatically

So what is the value of market share?

In tough times you must bet on your "winners" and be especially cautious with businesses that have a large "downside" potential

A wide variety of market and industry factors determine the "upset" potential of a market and it is vital that you should be crystal clear on what markets and products to pick



The connection between SOM and profitability has long been recognised by business executives and consultants, but I am often still surprised by the fact that widely diverging, often conflicting and shifting, interpretations are given about this linkage

Measure

We all accept (I think) that SOM is good for profits Few would argue that it is hard to think of a really high performance and successful company that does not dominate its market

Your SOM is a measure of the effectiveness of your competitive strategy High SOM is a reward for providing superior quality products at competitive prices and by running the business with lower cost structure

But what are the facts? See the table below

Clearly, high SOM produces lower costs in terms of purchases from outside suppliers, since you may be able to obtain better credit terms, quantity discounts and delivery options

Similarly, manufacturing costs are lower, perhaps through greater learning and experience and longer production runs

Powerful

Marketing costs also contribute to the lower costs and better margins, as the cost of reaching potential customers is spread over more units of sales

These research results are extremely powerful, since the data is taken from a wide variety of products and industries

Thus we are not observing cost behaviour within a single industry but across a diversity of industries, types of products, kinds of customers and so on

Your industry may exhibit even stronger relationships and you should try to obtain accurate data to access the value of market share The impact on the bottom line is dramatic, with the pretax profit margin ranging from a meagre 4,7% for player No 5 to 12,7% for the market leader

So what should you do about it? Market share is critical. Our intuition and the PIMS research results confirm the importance

High rates of return usually (but not always, more on this in later articles), accompany large market share But the mere knowledge that high SOM and high returns go together is not enough for effective planning

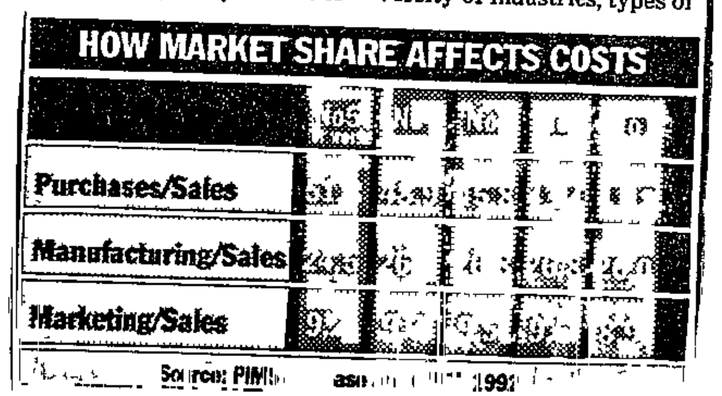
You need to answer these questions

- How much do profit margins differ between small share and large share players in my industry?
- What are the key drivers of market share in my industry?
- Why is SOM important in this industry?
- What strategy should I pursue?

Once you really understand the SOM dynamics of your industry you will be better equipped to decide whether to invest cash into the different business units in your portfolio

In tough times you had better understand cash flow and market share dynamics

- *Professor Andy Andrews is Director of the Graduate Institute of Management and Technology, which offers the prestigious Henley Executive MBA in South Africa and is co-founder of Laird-Andrews, the strategic financial consultants*



MANAGEMENT STYLES DO IMPACT ON PROFITABILITY

S/Times [BUSS] 20/12/92

By LITSA ROUSSOS

TOUGH economic times, political duress and the challenge to compete globally has placed tremendous stress on senior executives

However, considering the very high costs involved in recruiting, training and developing staff, companies cannot afford to lose quality employees due to poor management styles Yet more and more employees are citing this as the reason for leaving their jobs.

As companies downsize, so the role of the line manager has changed Companies have decentralised authority and empowered managers to build winning teams and to be accountable for the entire running of departments.

But the most sophisticated strategising is worthless unless it is coupled with skills training to equip managers to cope adequately with their new-found responsibilities.

Compassion

It is in this area that many South African companies are sadly lacking. Especially when we know that the workforce of the future will be multi-cultural and diverse.

Managers will require new attitudes, new skills and a change of mind set to motivate and understand the needs of their human resources in order to obtain maximum efficiency and productivity

Traditional autocratic management styles found in large hierarchical companies are no longer effective in the flatter structure of flexible responsive companies of the '90s. To guide employees through disorientation and change, managers must have a genuine care and compassion for the workforce. People of all levels need to be treated with respect and dignity. Effective managers will have to realise that leadership is a human activity

LITSA ROUSSOS

For companies to win, there has to be a meeting of mutual need for both the employee and the employer in the workplace As we live in an environment of constant change, so we need to realise that the needs of people are also constantly changing

Managers can develop their workforce by staying abreast of this change through constant appraisals, the results of which must be acted upon Should this not occur, companies will become the training ground for their competitors. As we promote people on the basis of merit, profitability increases and work ethic improves

As the focus of work moves away from the company towards the individual, so employees are demanding recognition for their labour. To say nothing about good performance, but to consistently reprimand poor performance, is a practice which will not be tolerated — even in recessionary times

Employees are demanding recognition of their self worth As employees' self worth increases, so a company's net worth increases

Managers need to be visible accessible role models to their employees as they set the example of realising the company's visions and mission statements.

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Shape

But the enforcement of management change is only as strong as the support of the CEO, who needs to demonstrate his total commitment to such a programme.

Tony Manning emphasises the need for leadership qualities in management He says· "Leaders foster change, while managers maintain the work. Leaders create the future, while managers sustain the present."

Managers are people who make ordinary people do extraordinary things in the face of adversities. To this end, managers will shape the destination of their workforces, their companies, their industries and the country as a whole.

■ *Litsa Roussos is Emmanuels Personnel Group's chief executive officer.*

5

Warning signals to watch for

S TIMES 21/12/92 (172)

THERE are 10 specific symptoms that should arouse suspicion of fraud in your company, says IoD president Stuart Morris.

- A dominant chief executive or manager who often short circuits any established systems or controls.
- Lifestyles of staffers that are out of line with their pay packets or sudden changes in lifestyles.
- Key staffers in financial posts who are over protective of their particular job routines, rarely take holidays, work excessive overtime.
- Poor segregation of duties between staffers, leaving room to compromise any control and leaving scope for fraud or theft.
- Slack accounting systems, spotted by the failure of accounts to balance accurately or the absence of explanations why efficient of any accounts was long overdue.
- Lack of understanding of key controls, especially in any computerised systems centred on one specific staffer.
- Loopholes that could allow kickbacks or bribes.
- Schemes that linked management pay packets to short term results rather than longer term corporate strategies.
- Finance sards complex group or joint venture ventures.
- Staffers susceptible to temptation to grab any opportunities to swindle the company.

Low morale and lack of motivation were other danger signals, along with under staffing and poor management systems.

"Many of these indications in themselves are common sense items and may seem obvious," says Morris. They should not be underestimated.

"The adage that prevention is better than cure is never truer than in the case of fraud.

"The ideal solution lies in forms of control that will limit the possibilities of fraud occurring. The dilemma is that a routine function is predictable control and therefore one which can be avoided or overridden by the enterprising fraudster.

Basic preventative measures should include a corporate code of conduct, effective internal controls, thorough reference checks on new employees, more management focus on day to day operations and tighter auditing procedures.

Business world reels under scams shock

STAR 21/12/92 (172)

A crackdown on white-collar crime looks poised to expose yet another wave of fraud suspects. New guidelines have been prepared to alert business executives to danger zones, writes MICHAEL CHESTER.

THE business world has been stunned by disclosures that no less than R1 billion may be involved in office scams that have been uncovered in a new crackdown on white-collar crime

The Office for Serious Economic Offences, a special unit created by the Minister of Justice to counter the increasing complexity of rackets run inside business, such as computer fiddles and high-finance dodges around foreign exchange controls, confirms that a new wave of arrests of fraud suspects is imminent

The roll-call of businessmen joining the rogues gallery of fraud culprits is also likely to be swollen at the end of an even longer list of investigations being handled by the SAP Commercial Branch

Johannesburg Chamber of Commerce and Industry (JCCI) experts estimate that the number of fraud cases coming to the surface has grown by as much as 66 percent in the past five years Even worse, the value of swindles has rocketed by a phenomenal 700 percent.

JCCI president Stuart Morris, himself a specialist in fraud detection as deputy chief executive of the KPMG Aiken and Peat firm of accountants and auditors, has made a personal analysis of the problem — and now produced a set of guidelines for companies to follow in a counter-attack on the crime wave

The first prerequisite, he believes, is that company directors accept the blunt fact that the responsibility for the detection and prevention of fraud must be carried at boardroom level.

Management, he tells them in a chamber newsletter, is involved in 28 percent percent of the frauds. Still more startling, the frauds committed by management account for as much as 75 percent of the total amount involved in rip-offs.

"Management fraud," he writes, "is the most alarming type of fraud since it is usually of the highest value and often difficult to detect.

"In South Africa, incidents of such fraud are increasing on a daily basis."

Specialist in fraud detection . . Stuart Morris.

On the other hand, it was management that discovered most cases of fraud — 40 percent as a result of internal audits they initiated and an additional 25 percent by accident in office routines

One special tip to employers was to ensure that staffers made regular use of their leave and time-off entitlements □

Oxbridge dips oars in uncharted waters

STAR 21/12/92 (172)

Copycats . . business schools locally and overseas are overhauling their MBAs to keep up with changing trends.

A MERE 110 years after the University of Pennsylvania established the world's first business school, Britain's two most famous universities are dipping their toes in the waters of management education.

Recently the Judge Institute of Management Studies launched Cambridge University's first Master of Business Administration (MBA) degree course, with 20 students on board.

Oxford, Cambridge's arch-rival in everything from astrophysics to oarsmanship, plans to open the doors of its School of Management Studies in 1994, to an initial intake of 30 students

By the turn of the century, Cambridge reckons its MBA course will be churning out 60 fledgling high-fliers each year, Oxford hopes for 150

Such numbers are puny compared, say, with Harvard Business School, which produces more than 800 MBAs a year

Yet with brand names every bit as strong as Harvard and Wharton, Oxford and Cambridge see America's top business schools as their main rivals

The Oxbridge two could not be entering the MBA fray at a worse time Applications for MBA courses have fallen steadily during the past two years

Recession has halted recruitment in businesses like management consultancy and investment banking, which during the '80s offered salary premiums of at least 50 percent for young managers boasting MBAs from the top schools

Those companies that are still hiring have cut salaries, but question what they are getting for their money The usual answer is too much theory and too little experience

At the heart of the problem is the MBA curriculum, which has changed little since the '60s

In a prescient article written more than a decade ago, Robert Hayes and William Abernathy concluded that business schools encouraged "a preference for analytic detachment rather than the insight that comes from hands-on experience" The criticism still holds

But while many leading business schools are rethinking their curricula, none has the luxury of Oxbridge's clean slate

The Cambridge plan is the most radical It has shunned the traditional 21-month full-time MBA programme in favour of a three-year sandwich course The MBA students attend three terms of nine to 10 weeks each, interspersed with two 12-month periods of full-time work at their sponsoring companies (in turn punctuated by one-week stays at Cambridge)

Practice

To help both students and their employers get the most from their £27 000 (R123 900) investment, Cambridge academics will periodically work alongside their charges helping them turn theory into practice

Oxford's MBA will be taught as a conventional 21-month course from the outset Like Cambridge, however, Oxford's business school is keen that its MBA students know how to implement what they have learnt At the end of their first year, students will be sent on a six-month work assignment with a company in a country other than their own The project, supervised by the school's tutors, will account for 30 percent of total grades

But Harvard and its rivals are changing too Harvard, for instance, has created a core of cross-disciplinary teaching teams to help break down academic barriers

By the time Oxford's business school is up and running, Harvard will be using precisely the sort of integrated, team-based teaching that the director of Oxford's business school thinks will give them an edge Cambridge, too, is drawing on expertise from various university departments

The real threat to the Oxbridge schools is that the market will pass them by An ageing workforce means that, by the year 2000, the schools' most receptive market will not be the 28-year-olds who make up most of today's MBA students, but working managers in their mid-30s Such managers will be less willing to risk a two-year break in their careers — or to tolerate three years of Cambridge-style upheaval

Although company spending on MBA courses is falling, in America expenditure on short "executive-education" courses (lasting from two days to three months) for existing managers has doubled to $4 billion (R12 billion) a year during the past five years By 2000, MBA-style education may be a niche business

Challenges

Even if it is, Oxford and Cambridge should have strong enough brands — and modest enough student numbers — to enable them to occupy a bit of that niche Their immediate challenges, however, are more mundane Oxford has raised just £5 million (about R23 million) of the £40 million (R180 million) it needs to establish its school and may have to delay opening until 1995 And both schools are hampered by their inability to pay anything higher than university-scale salaries — top whack around £35 000 (about R175 000) a year

Top American schools pay at least twice that to attract stars Oxford's administration is unworried They think the charm of the university's reputation and crumbling masonry will prove priceless

South Africa is not lagging behind Several universities offer different versions of the MBA course

The Wits Business School (WBS) started its MBA in 1968, says director Nick Binedell The course is based on the American model but has been modified over the years to suit South Africa's needs

The MBA is open to people who are ready to be senior managers and have the required work experience, It is offered as a full-time, 18-month course, as a three-year part-time course and as a combined full-time and part-time programme over two years

Binedell says an advantage is that they enrol older students who have been in the work place, and have fewer problems trying to put what they have learnt into practice

The Wits MBA full-time students paid R7 000 this year and part-timers paid R4 500

THE ECONOMIST and PHANGISILE MTSHALI

IBM calls two executives out of retirement

B/Day 22/12/92

NEW YORK — In a startling sign that its current management team is not strong enough to handle a mounting crisis, IBM is bringing back two retired executives to help embattled chairman John Akers run the computer giant, the Wall Street Journal reported yesterday

The company's business has deteriorated and its stock has plunged to 11-year lows Several people close to IBM suggested Akers could be trying to shore up his support with the board by enlisting two popular former vice-chairmen, Paul Rizzo and Kaspar Cassani

An IBM spokesman said it was Akers's idea to call on Rizzo and Cassani, both widely described as having a superb command of the computer industry The spokesman denied the board had installed the two men, or was in any other way undercutting Akers's authority

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IBM officials said Akers sent a memo to about 100 top managers on Friday announcing that the veteran executives would return as his "counselors and advisers", starting on January 1. "Our work will benefit from their insight and seasoned judgment," Akers wrote in the three-sentence memo — AP-DJ

Businessmen 'can learn from laws of the jungle'

B/Day 24/12/92 MEREDITH JENSEN (172)

WHAT could a pride of lions possibly teach a group of astute businessmen? A great deal, says wildlife expert and lecturer Ian Thomas

Thomas has travelled throughout SA, Europe and the US, for the past four years, giving seminars on teamwork and efficiency to a variety of companies. After years working in the bush, he began to see correlations between lions on a hunt and businessmen in the workplace, which encouraged him to design a business presentation highlighting the analogies between business teams and lions.

Thomas says many problems in the workplace arise because employees do not regard teamwork as an advantage Instead, employees often compete destructively in order to advance within a company

"Lions form teams in order to gain advantage When people join a company they do not see they are joining a team which will work to their advantage" Thomas said people ought to focus on goals and incentives, following the example of lion behaviour.

He said incentive was built around the premise "if you kill, you eat", though he admitted this aspect should be modified for business purposes.

Thomas encourages companies to emulate the social structure found within a pride of lions where powerful individuals benefit from belonging to a group of equally powerful individuals However, the efficiency of a team depends on its members Much as weak cubs are left to starve and die, so managers should be careful to choose employees who are capable of performing at a certain level, Thomas said

Though harsh, Thomas maintains only the successful survive, be it in the African bush or the business jungle

Nafcoc sets goals for black business

(172)

ADRIAN HADLAND

UP TO 60% of all managerial positions in JSE-listed companies should be held by black businessmen by the year 2000, says former National African Federated Chamber of Commerce (Nafcoc) president Sam Motsuenyane

Quoted in the recently published Portfolio of Black Business in SA 1993, Motsuenyane said the aim was part of a four-point plan adopted by Nafcoc to improve black participation in SA business.

The other three aims identified by Nafcoc were 30% black representation on the boards of all companies listed on the JSE, a 40% black holding of the equity of all JSE companies, and JSE companies sourcing 50% of all external needs from black entrepreneurs by 2000, Motsuenyane said

"We realise that this will mean a complete reorientation of development strategies But we would like the performance of the large corporations to be judged against those targets," he added

Motsuenyane, Nafcoc president from 1968 until his retirement this year, said large white-controlled companies should try to emulate the Japanese by contracting out as much of their needs as possible to small black businesses.

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Nafcoc

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☐ From Page 1

This would prevent big companies getting even bigger and outmanoeuvring small companies in the market place, he said.

"The organisation's target is that, by the end of the century, 50% of the discretionary needs of large companies should be contracted out to small ones"

Although blacks needed to get a greater slice of big business, black business remained eminently suited to exploiting the huge growth potential in the small business sector, both formal and informal, Portfolio publisher Willie Rameshaba said

"Black business is on the brink of unprecedented growth," he said

Bax Nomvete, executive director of the Africa Institute for Policy Analysis and Economic Integration, said the marginalisation of SA's largest development resource — "the latent intellectual capacity and ingenuity of the black population" — was a major obstacle to generating sustainable economic growth and maintaining social, political and economic stability

AIDS epidemic 'at crisis levels'

KATHRYN STRACHAN

THE AIDS epidemic had reached crisis proportions in SA, but health authorities had failed to respond effectively, a Baragwanath Hospital doctor said recently B/DAY

Heamotology Department head Prof Alan Fleming told the Township Aids Project that SA was seven years behind other African countries in the spread of the epidemic, but, he added, health authorities had wasted the "period of grace" 11/11/92.

Fleming said more than 4% of women in antenatal clinics were HIV positive and the epidemic had now reached the stage where figures would increase dramatically.

The only effective responses to the epidemic locally had been the national surveillance programme and the universal screening of blood

Important measures which were presently not in place included AIDS information and education centres in black townships, and a national strategy for health care delivery

This was essential because the predicted numbers of the sick would overburden the existing health care system

Fleming said government had established its AIDS training and information centres only in locations where they would serve almost exclusively the white population

The highest priority should have been given to an AIDS educational programme in primary and secondary schools, he said.

Budget problems behind jail releases

B/DAY 11/11/92

RAY HARTLEY

BUDGETARY difficulties had prompted government to announce the early release of 7 000 prisoners during the first six months of 1993, Correctional Services spokesman Lt Bert Slabbert said yesterday

Correctional Services Minister Adriaan Vlok announced yesterday that the prisoners — none had committed violent crimes such as rape and murder — would be released at a rate of about 1 000 a month

Slabbert said the prisoners would be drawn exclusively from those whose release had already been approved by the Prisons Release Board

He did not elaborate on the extent of the department's budgetary difficulties, but said the freeing of the 7 000 prisoners would not "solve the problem on its own".

Other mechanisms had to be developed to deal with the overcrowding of prisons, which would, according to the department's figures, still hold 19 000 prisoners too many.

Sapa reports Vlok will consult police before finally authorising the releases.

Prisoners already selected for release would be given their freedom a few months earlier to ease the overcrowding.

"I want to make it clear that this process of additional releases will definitely not be implemented during the remainder of this year

"We foresee that it could be applied during the first half of 1993," he said

Vlok said the question of imprisoned children would be addressed urgently

There were 2 656 convicted juveniles between the ages of 14 and 18 years in prison, and 6 485 between the ages of 19 and 22 years, he said

Meanwhile, government and the ANC are expected to meet today to draft a final list of political prisoners who will be released by Sunday in terms of agreements they have reached.

A short list of 48 prisoners, 10 of whom had been disputed by Vlok, had been drawn up for discussion at the meeting, ANC legal department official Matthew Phosa said yesterday

He said additional motivation had been faxed concerning the 10 disputed prisoners and there were "a few" other names that could still be added to the list

The release of the 48 would bring the total of ANC-aligned prisoners released this year to 339, with 141 being released prior to the September summit on violence and 150 as a result of the record of understanding agreed on at the summit, Phosa said

Originally, the ANC submitted a list of 520 political prisoners for release

Slabbert said a process of identifying further political prisoners with other political parties would begin in weeks

SA told to do more for health

B/DAY 11/11/92

KATHRYN STRACHAN

THE spending of 6% of GNP on health in SA was a great achievement, but considering that SA's GNP was about seven times higher than China's or Sri Lanka's, SA still had a life expectancy of less than 80% of those two countries, says a health expert

Speaking at a conference of the National Association of Pharmaceutical Wholesalers in Bophuthatswana yesterday, the head of the University of the Western Cape's School of Pharmacy Peter Eagles said SA's lower life expectancy could be attributed to the unequal distribution of health resources locally

To improve health care significantly and to eliminate poverty over the next few decades, SA would need an annual economic growth of about 10%

Since that was impossible, attempts would have to be made to improve health care provision by other means — particularly in the field of pharmacy

The training of health professionals in SA had almost no bearing on the health needs of the country

It had also not taken into account the emergence of a massive peri-urban settlement and its implications for health, Eagles said

There was an urgent need for more information on factors such as access to sanitation and water supplies, and the disadvantages of rapid urbanisation Innovative new health promotion strategies focused on those who exhibited "risk-taking behaviour" — violence, alcohol and substance abuse, and unsafe sex — were also needed, he said

ANC acts against rogue elements

ADRIAN HADLAND

INDIVIDUALS claiming to be members of the ANC in the Vaal Triangle had ignored the policies and mandates of the organisation and were involved in violence, rapes, killings, harassment and extortion, it was announced yesterday.

At a news conference in Vereeniging, regional leaders of the ANC, Cosatu and the SACP, and civic representatives, said a code of conduct "to end all undisciplined acts" would be developed by the end of the month

A monitoring committee was created to end conflict between organisations in the region, facilitate reconciliation and draw up a binding code of conduct. B/DAY 11/11/92

An ANC PWV region statement said rogue members had "found their way into legitimate community structures such as the self-defence units", where they had caused havoc, chaos and dissension

This situation had been exploited by "criminal elements", the statement said Primary blame for the escalation of violence, however, was placed at the feet of government.

"Through its low intensity conflict strategy, the state has unleashed a number of proxy forces to visit violence on our people in an attempt to undermine and discredit the ANC in particular and the democratic movement in general," the statement said

"We distance our organisations from acts of criminality meted out against members of the community by elements who claim membership of the ANC, SACP and Cosatu"

France to host management trainees

B/DAY 11/11/92

GAVIN DU VENAGE

THE French government would host six South Africans on a two-week visit to France, French embassy cultural councillor Georges Lory said yesterday

The six are top participants in the French government's joint management development programme, which it co-sponsors with the Paris Chamber of Commerce and Industry, and several SA organisations including Nafcoc, the Urban foundation, the Black Management Forum and Clive Acton and Associates

Since the programme was launched in 1985, French financial involvement has risen to R600 000, and this year eight additional bursaries were given to participants from non-profit organisations such as Operation Hunger

Participants from SA companies study towards a diploma which leading French business schools, including the Paris School of Business and the European School of Management, endorse and award

(172)

Lory said the increased involvement was a result of the positive results achieved so far, and that a recent survey of more than 300 candidates had shown that 74% had received promotions and advanced in their jobs

Each year participants received training from senior professors drawn from French and local academic institutions

Surveys had shown that trainees were instrumental in building bridges between management and the shopfloor, and had improved management quality in general, said Lory.

NATION BUILDING *Top company puts its cards on the table with this policy plan for the future*

That's Liberty Life for you ...

Sowetan 11/11/92 (172)

■ LIFE FORCE *Pumping money into education and housing is part of the deal:*

THE LIBERTY LIFE FOUNDATION was established by Liberty Life in 1990 and at the time announced its intention to expend in excess of R100 million over the next five years on aid to the disadvantaged urban and rural communities of South Africa.

This was funded by an amount of R65 million set aside in 1990 from Liberty Life's shareholders' reserves and a further R2 million allocated in that year by the Donald Gordon Foundation, a charitable trust established by Mr Donald Gordon

The stated aims of The Liberty Life Foundation include the provision of improved educational facilities and housing, the alleviation of poverty and the preparation of talented black entrepreneurs and other community leaders for economic leadership

A further objective of The Liberty Life Foundation is to help create an environment which will contribute to a peaceful and stable transition to a democratic and equitable society in South Africa.

The Liberty Life Foundation finds itself challenged by two, often contradictory, demands

One is the dire need for fundamental change and development in South Africa. The other is the cold, hard fact that the resources and skills needed for development and to address acute inequalities in our society continue to be inaccessible to those who need them most.

This dichotomy has necessitated our involvement with a range of projects and programmes at varying levels and in different sectors

Despite this rather complex, and seemingly disparate, involvement there are certain unifying themes to our approach

We recognise every project we embark upon has some bearing on policy formulation for a new dispensation in South Africa.

Some projects are specifically geared to exploring (or stimulating the exploration of) policy options Others contribute less consciously to the policy debate and collectively represent or harness an enormous resource of experience and knowledge

Many worthwhile projects suffer the contradiction of attempting to reconcile short-term necessities, which are often crisis determined, with long-term viability

Our involvement often forces us to meet the challenge to develop the human resources without which any real development would be unsustainable while simultaneously supporting the actual work for which the project was conceived

Earn a living

We constantly evaluate and re evaluate both our approach and results For example when addressing the issues of squatting in our cities we should start by examining why squatters leave the land in the first place Is there a way of making life in the rural areas economically and socially more viable? Can people earn a living from small scale farming — can they feed, clothe and educate their families through subsistence farming?

Programmes in this area include training courses for Development Planning organised through the Wits Business School, the Natal-based Centre for Low Input Agriculture Research and Development (Chard) a joint programme between the Natal Rural Forum which comprises over 20 community based development organisations and the M L Sultan Technikon to train community development workers, and the Youth Education Trust, a programme which combines "formal" schooling with actual production and rural development. We were instrumental in the creation of the University of Pretoria's Centre for Agriculture and Rural Development.

Despite their differences these programmes share a consensus about the urgency for development and provide useful potential for the cross-fertilisation of ideas

A culture in which the reliance on hand-outs becomes endemic is dangerous Donor boredom and fatigue are real problems

The devastation and death in the Horn of Africa will be worse this year than ever before. There are always popular new issues

International responses to that crisis would undoubtedly be different had the previous interventions been part of a properly conceived, holistic approach

> **We recognise every project we embark upon has some bearing on policy formulation for a new dispensation in South Africa**

Despite our concern with implementing developmentally sound policies the current drought's catastrophic consequences have reaffirmed our ongoing support for Operation Hunger and organisations such as African Children's Feeding Scheme and African Self-Help

We recently gave Operation Hunger an extra R1 million to help the 1,85 million people who they now feed daily This need for "humanitarian" intervention adds a new urgency to the development of the rural areas

Vibrant sector

A vibrant sector of Non-Government Organisations ("NGOs") has in recent years made important and positive contributions in areas which have largely been ignored by the "dominant formal society"

These organisations have begun to tackle development issues, despite the uncertainties regarding the formalisation of a political framework within which to define policy and set priorities

Furthermore internationally there has been a shift in recent years towards an increasing role for NGOs in development.

This reflects, in part, the weakness of many Third World governments, but it also reflects a shift in the direction of development to one which is "bottom up" rather than "top down"

To facilitate the strengthening of the NGO sector our Foundation supports organisations including the Development Resources Centre (DRC) and the Education, Training and Advancement Centre(Etac) which are geared specifically to promote the organisational capacity of NGOs

These projects are new in South African NGO history and are conceptualised to function on a scale that could make national impact

We also support a range of smaller community based NGOs such as the Computer Education Centre the Business Skills Development Centre and the Skills Training for Employment Centre

These programmes are a vital local component in larger-scale initiatives, their value lies in their focused achievements and wide replicability

Community based programmes are essential loci for experimenting and testing new ideas and approaches

They also attract some of the most enterprising and dedicated local people The role of this type of project in the overall development drama must not be underestimated nor can we allow these programmes to be upstaged by "safer", and seemingly more effective, institutions

The variety and scale of the projects which we have had the privilege to support reflects the ingenuity and determination of a society that, despite its deprivations, has the will to take itself forward.

Our criteria for the selection of community based projects include, inter alia, the ability of the project to provide a working and cost-effective model for replication, a disciplined and effective (even if modest) programme to develop local talent and ability, the willingness and ability to harness expertise from wherever it may be found, a project staff who are open-minded and committed to what they are doing, and an efficient infrastructure, tight financial controls and sensible management.

A consideration central to any project we fund is its sensitivity to control by communities and access to it by the poorest of the poor Any venture which ignores these criteria would be irrelevant

In view of the need to strengthen and support science and technology oriented programmes, we funded research into establishing new mathematics curricula through the Education Policy Units established by the National Education Co-ordinating Committee (NECC)

We also support substantial and highly regarded programme to strengthen the skills of mathematics teachers at the Mathematics Education Project of the University of Cape Town's Education Faculty

We are proud to be associated with the highly successful Mathematics Centre for Primary Teachers and the Co-operative Organisation for Upgrading Numeracy Training (Count)

Universities represent a scarce resource — a huge concentrated pool of talent, skills and expertise. The notion of "development" implies far more than increasing the number of people who might be exposed to these qualities but entails their utilisation for the benefit of the disadvantaged and developing communities and the whole of society

The programmes which we support at universities are multi-faceted and address immediate needs as well as fitting into our broader long term approach

Through working with universities in this manner we harness their invaluable resources and add immense value to various initiatives

Our approach encourages the opening of university facilities to those who have had no access for so long

The nature of development work is well suited to a research framework — to maximise its future value to capitalise on and replicate the successful initiatives and to avoid having to make the same mistakes that others have previously made

Furthermore universities offer a politically neutral ground They can thus draw people with different outlooks beliefs and agendas together under their umbrella

Moreover, our universities have the infrastructure, the resources and the skills to manage and control programmes effectively

Many university staff members are already community oriented and active in developmental initiatives

Our Foundation has supported a pioneering programme to establish a School for Applied English Language at the University of the Witwatersrand under the world-renowned Professor Frank Smith. This is the first school for second language English teaching in South Africa. We also support a wide range of smaller adult literacy organisations

We also gave support to the universities of Venda, Fort Hare and The North to purchase library books for their poorly equipped and over-utilised libraries

Work on the new Liberty Life Hall of Residence at the University of the Western Cape continues on schedule. The residence, which will accommodate over 200 students, is ready for occupation

Substantial funding

In addition to our substantial funding for the School of Public and Development Management at the University of the Witwatersrand (which already has more post-graduate black students than the rest of the university combined), and in view of our recognition of the importance of the public sector, we supported the University of Stellenbosch's conference on "Public Administration in a Post Apartheid South Africa"

The conference explored the interface between the established pubic sector fraternity and the challenge of the 'new order'

The ever deepening crisis in black schools has necessitated our supporting a range of superbly run 'crisis response' projects such as the Education Information Centre, the Education Support Programme, the Primary Schools Tuition Programme and excellent initiatives by the University of the Orange Free State and the Students Representative Council of the University of Durban Westville

> **We are supporting programmes designed to build capacity — to provide training and to develop the administrative and financial systems for a range of community organisations**

The Teacher Opportunity Programme, PROTEC and PROMAT, enjoy our continuing support We provided funding to enable PROMAT to expand significantly

The emergence of civil organisations in the black townships has resulted in our working extensively with bodies such as the Soweto Education Co ordinating Committee and the National Interim Civics Committee as well as our working at various levels with a range of local communities

We are supporting programmes designed to build capacity — to provide training and to develop the administrative and financial systems for a range of community organisations

The first workshop in this programme was recently held at the University of the Witwatersrand and was run as a collaborative effort by the Human Awareness Programme and the Centre for Community Based Programmes

The enormous deprivation of the majority of South Africa's young children under six (there are approximately six million of them) has necessited a more proactive involvement than usual by our Foundation.

We have developed a dual approach in that we are substantially supporting the major educare agencies as well as establishing an institute to service the field and its specific needs

We believe that it is more logical to tackle 'bridging' in education by starting remediation before the damage is done If the foundations are sound the edifice will not collapse

We have substantially increased our long-standing support of the Grassroots Educare Trust which is the largest and one of the most effective educare agencies in the country Grassroots' contribution to the education and care of young children in South Africa has been significant as has their contribution to the policy debate on educare at a national level

READ's exciting and dynamic series of workshops to produce reading materials for young children have been funded solely by our Foundation These workshops have generated tremendous enthusiasm around the country and have resulted in 70 excellent illustrated books appropriate to South African needs

The Liberty Life Group Community Fund continued to support approximately 500 organisations and projects during the course of 1991

These ranged from traditional welfare causes to environmental issues and cultural concerns

Our pioneering work in the child protection field saw the establishment of the Child Protection Forum which has, in a mere nine months realised its potential as both a catalyst for and facilitator of meaningful co-operation in the field

This initiative has elicited unprecedented inter-agency co-operation at both national and local levels

The work of the Liberty Life Child Care Centre, which was established in 1990 under the auspices of the Johannesburg Child Welfare Society, continues to yield meaningful results and our first 'What If?' child protection television series won a 'Star Tonight' award for the best children's television programme of the year

What If? is now part of the curriculum in primary schools under the control of the House of Delegates and the House of Representatives

It is currently being introduced into Natal schools and is under consideration by various other Provincial Education Departments 'What If 2? the second 13 part series is of an even higher standard

The support of The Liberty Life Foundation and the Liberty Life Group Community Fund for the aforementioned programmes and projects has established Liberty Life as an active partner in a development coalition of business communities and non government organisations

It is essential to pull together key actors and thinkers in developmental work to balance the essential debates, and to harness scarce resources Furthermore, it is vital to engender in the popular mind a culture and an ethos of development and progress

A multi-faceted and holistic approach to development is essential if we are to make our contribution towards fulfilling the goal of uplifting South Africa's disadvantaged people and communities

Donald Gordon
chairman
Hylton I Appelbaum
Executive Trustee

Big business urged to give blacks a chance

B/Day 12/11/92.

THEO RAWANA

NATIONAL Sorghum Breweries chairman Mohale Mahanyele yesterday urged big business to ensure the growth of the SA economy by giving special attention to the development of black business.

Addressing the SA Association of Business Management AGM in Johannesburg, Mahanyele also called on government to have a policy giving tax incentives to companies and opportunities to small business

"Business is part and parcel of society, and as such, is also responsible for the state of the nation. Business leaders must cease to blame political leaders for seemingly unrealistic economic solutions, when they themselves have failed to eliminate poverty," he said

Urging companies to step up the process of promoting blacks into top managerial positions, Mahanyele said "The saddest thing about SA is that there are millions of willing and capable blacks who are still denied opportunities."

His company had shown what could be done to boost the SA economy by scoring success after success with an entirely black executive and staff, he said

Big business could promote the development of small business through skills training, education, subcontracting and sourcing supplies from small companies, he said

INCOME DIFFERENTIALS FM 13/11/92 (172)

Consult the victims first

It should, of course, occasion no surprise to those who think about such matters that one consequence of prolonged recession has been to end the narrowing of black/white income differentials that was such a characteristic of the economy in the Seventies and Eighties But as there are clearly many people who *don't* think about such matters, it's worth pondering this latest finding by PE Consulting

The fact is that SA is short of managerial and other skills, and has a surplus of unskilled labour It may be deplorable but it's also a fact that most managerial skills are provided by whites, while most blacks are relatively unskilled

Any recession will affect those whose talents are in oversupply more than those whose talents are scarce Now, our ability to do anything about worldwide recession is limited, but the added disruption of stayaways, mass action and so on is a matter of choice

Those responsible for the decision to undertake such disruption must realise that the argument, that the main sufferers are — at least in the short run — not the white oppressors but their own, already underprivileged constituency, is no mere capitalist time-serving claptrap, but a plain statement of the truth.

It may be that the price is worth paying, for the ultimate achievement of a just society But it's a consequence that, in all fairness, they should ensure their followers are aware of, too, before they're asked to make the sacrifice ■

ESKOM FM 13/11/92

Pulling the plug?

(172)

Eskom's controlling Electricity Council has asked CE Ian McRae to stay for another year but chairman John Maree has made it clear that McRae will focus on selecting his own replacement "The council is grateful that the management change will take place under the guidance of McRae, as this will ensure that the transition is smooth and

successful," said Maree in a statement made after last week's meeting of the 20-member council

McRae's appointment has been extended until March 1994, "when he will retire," according to the statement, which added that he has agreed to the extension McRae's successor has not been named Maree, in his statement, said "Succession is receiving the council's attention and a decision will be made in due course" A spokesman added that McRae "will help identify his successor"

The normal retirement age for Eskom's top executives is 60 McRae, who has been with Eskom since 1947 and became CE in 1985, is 63. Maree, who has chaired the council since 1985, is 68

The council came under fire from the ANC, Cosatu and the SA National Civic Organisation (Sanco) after reports (*Business & Technology* October 30) that Maree would attempt to oust McRae at the November 5 council meeting The meetings are not open to the public

"We regard Eskom as a national asset of extreme importance whose future cannot be decided in secret meetings," said the alliance in a press statement "The changes rumoured in a report in the *FM* would be viewed as a setback for the electrification initiatives currently being undertaken by Eskom The ANC, Cosatu and Sanco are united in their demand to be fully consulted in the debate around Eskom's future"

Moses Mayekiso, president of the civic organisation, says the alliance has been negotiating the restructuring of the council to include representatives of unions and civic associations He believes that McRae "understands the negotiations and where we have to go We made progress with McRae — that must not be disturbed"

McRae

"There will be no disruptions in the process of negotiations with the unions," says Eskom spokesman Bongani Khumalo "McRae will continue to guide Eskom in these discussions"

Ten labour unions represent 70% of Eskom's 44 000 employees The government-controlled utility supplies 95% of SA's electricity

One union official says the issue of union representation on the council — which is dominated by mainstream business and government officials — is a source of tension between McRae and Maree The official, who is involved in labour negotiations with the utility, believes that McRae favours union representation while Maree opposes it

Khumalo says Maree does not oppose union representation Khumalo, however,

could not say that Maree supports the idea of trade unionists on the council "The council is the highest body in Eskom and all that happens with the unions happens with the knowledge of the council, chaired by Maree"

McRae, for his part, said in the statement. "I am pleased that I will continue to participate in the planning of Eskom's ongoing success" ■

#Continue

(172)
ARG 14/11/92

Managers 'out of touch'

ALIDE DASNOIS
Business Staff

A JAPANESE productivity expert has slammed South African managers who coast to work in 15 minutes in a company car — and then punish black employees for being late after spending two hours commuting from the townships.

Speaking at a breakfast in Cape Town organised by the National Productivity Institute, Professor Anatole Goshi, Tokyo University lecturer and member of the board of the Japanese Productivity Centre, said South African managers were often sadly out of touch with their employees.

Professor Goshi is spending six months in South Africa.

Company cars for management, he said, were unheard of in Japan So were all-expenses-paid "study trips" for directors (and their wives).

"Why send a director who is close to retirement on a study trip to Switzerland for two weeks? That man will never pass on what he learns

"This would not happen in Japan", said Professor Goshi.

■ Company cars for management are unheard of in Japan So are expenses-paid "study trips" for directors (and wives) The SA executive "perks" trend is slammed by an expert.

Education funding in South Africa needed to be channelled downwards

Professor Goshi said vistors to Japan would not find service-sector employees chewing gum or keeping customers waiting while they made personal telephone calls "South Africa has got very slack in this respect", he said "Everyone who has access to a phone uses it for private calls Then when a worker steals a spanner, managers call the police"

He said South African companies were often run by the wrong people "The top man at a hi-tech company in Japan is usually someone with a technical background The second-in-command is almost invariably the chief human resources person, because in Japanese companies the workforce is seen as a company's main asset Japanese companies are never run by accountants or lawyers, because they are conservative"

He had also noticed that South African managers spent too much time on routine tasks "They should be concentrating on things which only managers can do and delegating the rest Delegation is a way of educating people", he said

A good manager should never punish subordinates for mistakes or failures — "otherwise they will never try anything new"

Managers should be promoted on the basis of how many people they had helped to promote They need not be experts, but they should be role models for subordinates, said Professor Goshi, "and they should be concerned with the workers' well-being"

"The final product depends on the quality of the people at the lowest level"

Workers in Japan had a guaranteed job for life when they joined a company, he said Most had five-month profit-sharing bonuses, 10 percent of working time was spent on training and at retirement the average worker was granted severance pay of 30 million yen (about R732 000), plus a pension of roughly R8 000 a month

JOB MARKET

The lion tamer wants to be a CA

S/Times (BUSS) 15/11/92. (172)

CLERGYMEN, jewellery designers, engineers, nuclear physicists — even lion tamers — can become chartered accountants.

By TERRY BETTY

This is a sample of some of the 24 people enrolled for the University of Cape Town's (UCT) two-year conversion course. UCT is the only university in SA to offer the course

Course director Josephine Taylor says the degree crams three years of BComm into one.

"The students attend all lectures and write the same examinations as the hundreds of full-time students"

After this they do the fourth year full or part time

Miss Taylor says the last group of conversion students had a 100% pass rate in the Public Accountants and Auditors Board examination, which is done at the end of the course — way above the 57,5% national average.

She says the course has been successful because of the stringent entry requirements

"Only people with a degree, who have never failed a subject and have a good grasp of mathematics and English are accepted"

So far 71 people have qualified as accountants through the conversion course. Their qualifications include medicine, arts, social science and engineering

Miss Taylor says most applicants have science degrees and either want to supplement their knowledge or are horrified at the thought of spending the rest of their lives in a laboratory.

Past pupil Invicta Holdings financial director Arnold Goldstone says: "I must have been temporarily insane to tackle the course However, I would never have got to where I am without it.

Family

"My first degree was an engineering one. Having both skills is essential in my job because I can speak the language of accountants and engineers."

Mr Goldstone describes the course as being harder than anything he has ever done before.

"You need to be dedicated to complete the conversion course. You also need to be able to handle pressure."

Miss Taylor says that because of this older students with working experience tend to do better than 22-year-olds straight out of university.

"Only students desperate to get the qualification pass because they are the ones who have to support a family and realise how hard the competition is out there Young graduates generally do not have the necessary drive."

Miss Taylor says people take the course because they do not like what they are qualified to do, or are struggling to find a job They also believe that because there are fewer employment opportunities available they need to be better than the person seeking the same job

"Career opportunities in SA and internationally for CAs make the qualification desirable It is also a discipline that can be moulded for a variety of jobs"

Miss Taylor says auditing firms are keen to employ conversion students because of the variety of information they have and which is not part of an average CA training

Deloitte & Touche human resource manager Geraldine Hand says her firm provides a conversion course bursary.

She says conversion course students have valuable skills stemming from their background and are able to add a strong financial management perspective

Having a qualified civil engineer as part of an audit team for a construction company improves the service The engineer helps the other auditors with his inside knowledge.

Unions put work before pay rises

S/Times (BUSS) 15/11/92

By ADRIAN HERSCH

PAY increases are likely to be moderate next year, says a leader of South Africa's second-largest trade union federation

Nactu assistant general secretary Mahlomola Skhosana says "We are in a difficult position It is hard for workers to cope with below-inflation increases, but we want to project jobs

Under

"We lost many workers in building and construction this year Many positions were lost because small companies went under

"If the economy does not improve sufficiently next year, unions will not be in a position to push too hard for above-inflation pay increases Retrenchment has to be avoided"

This year may prove to be a watershed one in terms of the incidence of large-scale strike action in recession

The Nactu-affiliated Metal and Electrical Workers Union of SA (Mewusa) was this year involved in a four-week wage strike in the metal industry, together with Cosatu-affiliate Numsa The action was not co-ordinated

The unions demanded a 20% pay increase before the strike, but settled for 9,1%.

Nactu is preparing to play an active role in the recently launched National Economic Forum.

Mr Skhosana says Nactu will hold a consultative conference towards the end of the month to establish an economic policy

The conference will also deal with political issues Matters such as preparing for the general election will be covered

Nactu, with its Africanist-principled policy, is regarded by some as close to the PAC But Nactu is not officially affiliated to any political organisation

Mr Skhosana denies reports that a split is likely in its member union, the Black Trade Union of Transnet (Blatu)

A report in September said Blatu's Natal region was seeking disaffiliation from Nactu

Active

Mr Skhosana says "Blatu held its annual congress last week and all regions were present. The Natal region did not express any desire to disaffiliate"

But a major problem for Nactu is that some of its unions in similar industries have not yet merged in spite of a target date of March this year having been set.