

# Siyabonga Mapoko

## CONVERSATIONS

with JSE AltX  
entrepreneurs

Secrets of business  
success that you  
won't get from  
an MBA...

Foreword  
Bill Gibson



# CONVERSATIONS

with JSE AltX entrepreneurs

## About the author

Siyabonga Mapoko (Siya) graduated from UCT with a BSc (Hons) in Chemistry, in 2002. In 2003 he spent some time doing research for his MSc thesis at GlaxoSmithKline in England. His research focused on contrast agents for Magnetic Resonance Imaging (MRI).

In 2005, Siya joined Investec Asset Management as an Equity Trader. While at Investec Siya was also a financial markets reporter on SAfm for the Vuyo Mbuli Show.

Towards the end of 2006 Siya left Investec to start iCaptive Corporate Network, a digital signage company.



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**iCaptive**  
books

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Postnet Suite 252, Private Bag X18, Rondebosch 7701, Cape Town

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## Dedication

This book is dedicated to all South African entrepreneurs and all those who know that what lies behind us and what lies ahead of us is nothing compared to what lies within us.

I sincerely hope this book helps you.

*Carpe diem!*

# ACKNOWLEDGEMENTS

As always with a project of this nature there are many people who have helped enormously and to whom I would like to extend my sincere and heartfelt thanks.

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# PREFACE

This is a book where South African entrepreneurs trade "war stories". Pulling no punches, they share business lessons learned from the trenches. There are some amazing stories here:

- One CEO turned a R20 000 personal cheque account overdraft into a company with an annual turnover exceeding R100 million.
- Another CEO looked across the seas, from London to South Africa, and came to this country to pioneer an industry. He built a company with a turnover of R220 million a year in less than 5 years.
- Read about a 63 year old CEO who was almost bankrupt 12 years ago whose company now makes over R300m a year.
- Another CEO had the "crazy" idea of starting another no-frills airline in 2003. Now this entrepreneur is posting annual sales of over R700m ... in just four short years!

These are but a sample of the interviews contained in this book.

Entrepreneurship provides one of the greatest frontiers of opportunity in any economy. Most people think that succeeding in business has something to do with finding the secret formula. The CEOs featured in this book disagree with this view; instead they all seem to agree with Oprah Winfrey who said, "The big secret in life is that there is no big secret. Whatever your goal, you can get there if you're willing to work."

Although all the CEOs featured here operate in different industries they seem to have common attitudes and principles. When I interviewed them, I could feel and see their passion. It is my hope that you too will hear their

voices and feel their passion as you turn these pages. It is also my wish that this book will be a guide to achieving success in business, whether you are just starting up or are ready to list on JSE AltX.

As I was writing this book I was taken aback by the incredible information these CEOs have shared. They tell the stories of their journeys and generously offer invaluable clues to success. I thank them for their willingness to be part of this project.

Siyabonga Mapoko  
March 2008

*If I wanted to become a tramp, I would seek information and advice from the most successful tramp I could find.*

*If I wanted to become a failure, I would seek advice from men who had never succeeded.*

*If I wanted to succeed in all things, I would look around me for those who are succeeding and do as they have done.*

– JOSEPH MARSHALL WADE –

## FOREWORD

# Bill Gibson

CHAIRPERSON,  
KNOWLEDGE BROKERS INTERNATIONAL SA (PTY) LTD

Bill Gibson is one of Siyabonga Mapoko's mentors. He is the Chairperson of Knowledge Brokers International S.A (Pty) Ltd. a company with offices in Canada, South Africa and the Middle East. He is the author of the book *Boost Your Business in any Economy*, the author/developer of the *25 Module Complete Sales Action System*, the *8 Module Managing Complex Business Relationships System* and the *Business Success Series* including *Turning Entrepreneurial Spirit into Business Opportunities*.

As a business speaker, author, marketer, entrepreneur and sales specialist Bill has spoken to over one million people worldwide. He is a Canadian who, since 1994, has spent 95 percent of his time in South Africa where he assists in the development of entrepreneurs and in the re-engineering of the sales teams of

dozens of South African multinational corporations. His clients include the likes of ABSA Bank, Nedbank, First National Bank, Sanlam, BMW S.A., Siemens, Standard Bank, Vodacom, Africon Engineering and the South African Presidency's Communications Research Directorate Team.

He can be reached at 011 784 1720 or on e-mail at [bill@kbitraining.com](mailto:bill@kbitraining.com)



**YOU CAN STOP LOOKING RIGHT NOW.** You don't have to look any further. This is it! Everything you need to know about what it takes to turn your business and yourself into a super success story!

Here they are, the rules of the road for extraordinary business results from 12 top successful JSE AltX entrepreneurs! Right now, in your hands you have got 12 of the best mentors, coaches and "models of possibility" giving you all the proven "real world" tools to create the business results you've always dreamed of. All you have to do is start turning the pages.

In this amazing book you will find "no nonsense how to's" to rapidly grow your business, raise capital, franchise your business, gain market share, become a great leader and develop the personal success qualities possessed by successful entrepreneurs and intrapreneurs.

These 12 South African entrepreneurs "tell it as it is". This business building book is not from the world of academia, it is from those that have done it themselves. You are learning from those who are at the "coal face" of business and are the "real deal".

For example, if you own or run a business there will come the day you have to retrench some staff. Have you ever heard this advice before? "The typical thinking is to retrench the cleaner or receptionist and leave in place the managers. It doesn't work like that. If you have to retrench, you retrench a vertical slice ... from top to bottom." This is a quote from John Barrow – Chairman, B&W, an Electrical and Instrumental construction business with a turnover of R300 million in 2007.

"On average we opened one store every twenty two days and this went on for 6 years". That is rapid growth. Carlo Gonzaga, CEO of Taste Holdings, with 115 Scooters franchise outlets and 28 Maxi's Restaurants, tells you how he managed rapid growth ... in South Africa.

Lots of budding South African entrepreneurs believe the fancy cars, the

designer labels and the big house impact their success? Here is what Ian Lourens of PostNet, with 221 franchises countrywide, has to say, "You are foregoing instant gratification. Take the resources you have and plough them into the business. Don't worry about status symbols." That's real world advice from a real world entrepreneur!

Jason Drew, CEO of Dialogue, a business process outsourcing company turning R220 million a year says this: "It is easy to lull yourself into a state of belief that your business is what you want it to be. Every time you think something is as it ought to be, try to prove it wrong."

Endless innovation and improvement are two of the hallmarks of successful entrepreneurs and business leaders. This book is your resource library for unlimited wealth and success in both your business and personal life.

It is the entrepreneur's "Acre of Diamonds" for not only start-up and small business owners, but also the step-by-step guide on operating and succeeding while at the helm of a "High Growth Company". Whether we are at the top of an economy, on the way down, at the bottom or on the way up, this book will work for you because every one of these 12 entrepreneurs has successfully worked through all of these phases of economic or personal business cycles.

Remember, information is not Power. Information in Action is Power! My suggestions ... buy a 4 ring binder or set up a specific entrepreneur development file on your laptop. Write down or transfer to your file every good idea, tip or "how to" you read about in this book. Then place them under categories such as staff motivation, retrenchment, sales, marketing, raising capital, BEE, personal motivation, hiring, balancing your business life and family life, and whatever other topics pop up. In addition set up an index for the information.

From there, I suggest you regularly review these valuable nuggets of information with your partners and teams. Also, whenever you need guidance in these areas or personal inspiration or motivation, go to your file and sift through your Entrepreneurial Acre Of Diamonds. Learn and use this business building GPS System that came from the Real World Business School of Hard Knocks and shorten your distance to the top of the business success mountain.

On a final note: 18 months ago (October 2006) while touring the country speaking to small business owners sponsored by Nedbank Small Business Services I was approached by a young, sharp entrepreneur. He immediately purchased my Audio CD and Manual Program, *Boosting Sales and Profits with Focus Selling*. Within weeks he followed up with feedback to me on how he was implementing the information. A few weeks later he met me on a trip to Cape Town at 11:00pm. On another trip he came to see me at 7:00am. Before I knew it I was one of the main business mentors to this young, dynamic, sincere business owner – Siyabonga Mapoko.

During our many telephonic conversations and face-to-face meetings I shared with Siya *17 Different Ways to Raise Money without going to the Bank or the Government*. He has used virtually everyone of them. With tenacity, innovation, creativity, honesty, integrity and 80 to 90 hours per week of work, Siya has successfully launched iCaptive here in South Africa, while still writing this phenomenal book to help other business owners and entrepreneurs make their dreams come true.

Keep your eye on Siyabonga Mapoko! Move over Tokyo Sexwale, Brian Joffe, Lazarus Zim, Patrice Motsepe, Raymond Ackerman and Herman Mashaba and make room for the next generation of South African entrepreneurs that will include Siyabonga Mapoko!

Remember: "If not now then when? If not this way, then what way, and if not you, then who is going to do it?" Take charge, capitalise on the learnings of others from the real world of business and create your own reality. Use this book and may the trade winds of success support your journey to the top! Read on! It just may be the best investment you have ever made as an entrepreneur or business leader.

Bill Gibson  
March 2008

# The JSE's Alternative Exchange (AltX) – exceeding expectations

**Noah Greenhill** – Head of Marketing and Business Development, JSE



*Every worthwhile accomplishment, big or little,  
has its stages of drudgery and triumph;  
a beginning, a struggle and a victory.*

– MAHATMA GANDHI –

### **Opposition from the start**

A significant number of world stock markets runs smaller exchanges alongside the main board. One of the best known is the Alternative Investment Market (AIM) which operates parallel to the London Stock Exchange.

This smaller exchange plays a vital role in promoting and facilitating the growth of small and medium-sized businesses. It provides a platform for fledgling companies to raise capital needed for expansion or acquisitions that can take them to the next level of development. It also offers a mechanism for founders and financiers of the business to partially or fully exit their investments. In addition it encourages entrepreneurship. Specific to South Africa, such an exchange would give Black Economic Empowerment (BEE) investors a platform to raise much-needed capital.

South Africa had the Development Capital Markets (DCM) and Venture Capital Markets (VCM) on the main board of the JSE, launched in 1985 and 1989 respectively, with the purpose of encouraging smaller companies to list and help fulfill their growth aspirations. Although during their heyday they attracted many companies and were therefore successful in this sense, these boards became a bitter disappointment when they were hit by the emerging markets crisis of 1998 and the bursting of the dotcom bubble in 2000. They became thinly traded (on average four trades a day) yet volatile. Several companies experienced regulatory or accounting problems, businesses did not deliver on over-optimistic profit forecasts and they generally under performed. These companies weren't always built to last and would certainly not pass the overhauled quality checks the JSE has in place today. Some directors were more interested in off-loading large chunks of their shares and becoming superbly wealthy overnight. With the wisdom of hindsight, the JSE's sentiment is that a "flood of rubbish" had listed on these boards.

So a much-needed and hopefully more successful listing alternative for younger companies was sought and the decision of the JSE to officially launch AltX (the Alternative Exchange) in October 2003 was heralded as the solution.

The hostility and scepticism of the financial community and the media towards this new platform was surprising. Noah Greenhill, appointed as Manager of AltX, was charged with the launch of the new board and had his work cut out for him in convincing the market that this was the right way to go.

The job of selling the young exchange to both candidate companies and investors required faith and optimism. Back in 2003, when Greenhill's sole responsibility was establishing the AltX platform and rounding up potential listings before the launch of trading, the ambient background and market conditions were not ideal. Small capitalisation exchanges around the world were having a torrid time, especially the Neuer Markt in Germany, which had closed. There had been a so-called "flight to quality" in the early 2000s as investors bolted for safety in large cap stocks.

Doubt abounded in the investment world when AltX was announced to the market. Some had no hesitation in declaring it doomed from the start. After all, this was now the third attempt by the JSE to establish a small cap exchange. There were even strong cynics within the JSE itself who needed persuading and the eventual go-ahead for AltX was a long time coming. Greenhill and JSE CEO Russell Loubser had to convince the market that future small cap listings would be of a much higher quality than most of the ones that populated the DCM and VCM. They insisted that this time round, with AltX, things would be different. The AltX pay-off line – Exceeding Expectations – was certainly going to have its work cut out simply to live up to expectations.

Greenhill worked tirelessly to emphasise this but it made little impact initially. When AltX opened its doors in late 2003, it didn't have a single company lined up to list. This didn't seem to faze Greenhill.

A move which added to the cynicism and criticism around AltX was the

JSE's attempt to close the VCM and DCM. This was seen as a move to populate AltX by requesting that the remaining DCM- and VCM-listed companies migrate to AltX within a certain time if they met the new board's requirements. DCM and VCM companies threatened the exchange with litigation and demanded that the JSE withdraw its ultimatum, which it eventually did. Ironically, the very first AltX listing was one of these migrations from the VCM – soap and cosmetics group Beige Holdings. And others from these boards and even main board listings have since moved to AltX.

### **Exponential Growth: October 2003 to December 2007**

Over the past four years, AltX has proved to be what can only be described as a resounding success in terms of the number of companies listing (both new and migrations of existing listings), and extremely pleasing in terms of liquidity and tradeability statistics.

At end of the first complete calendar year, December 2004, there were 10 companies listed with a combined market cap of R1 billion. The following year-end there were 15 companies capitalised at R1.9 billion. At the end of 2006, there were 40 listed companies with a market cap of R9 billion. By 31 December 2007, the exchange boasted 75 companies with a combined market capitalisation of R30 billion.

In the earlier days, junior miners and ICT companies tended to dominate AltX. But that has changed and by December 2007 construction was the dominant sector, with around one third of total market cap, followed by financial services. The South African construction boom in the wake of government's decision to embark on a massive fixed investment spree has sparked great interest in construction stocks generally. This will inevitably change in the future as the economic cycle shifts and other sectors will have their time in the spotlight.

Many of the individual stocks have increased significantly in value and by the close of 2007 there were some with market caps over the R2 billion point. This would be a decent market cap for many of the smaller main board stocks that have been listed for many years and highlights the interest and returns that AltX stocks can generate, given the right circumstances.

In April 2006, AltX launched its own index which easily outpaced the growth of its big brother, the JSE's all-share index (ALSI), followed by the introduction of the AltX Top 15 in October 2007.

During its short life so far, the exchange has seen some controversy as a handful of its listed companies experienced operational and accounting problems, but these have not managed to compromise the success of AltX or halt its growing momentum. The general quality of listings is superbly high, thanks to the standards set by the AltX Advisory Committee, the compulsory directors induction programme and designated advisors. The companies coming to AltX are solid and real, with an average operating history of at least five years. Some of them have a much longer pedigree, with decades of good performance behind them. They have had to survive economic downturns and have gone through full and challenging business cycles.

#### **The Listings: Who, Why, How, and then What?**

AltX mainly targets young and fast-growing businesses across all sectors including start-ups, family-owned operations and BEE enterprises, as well as junior miners. There is no prerequisite of a profit history although a minimum share capital of R2 million is required. Greenhill says that one cannot set an arbitrary number or benchmark in terms of financial history that keeps potential listings away. "It's rather about the quality of the business, its management and prospects. A company may have a brilliant new product or innovative design that will clearly take off. It needs an opportunity to raise funding and get off the ground. It would be a pity to let great ideas die because there is no operational track record."

In selling the platform to potential candidates, the usual and many benefits of listing are cited. These include access to long-term development capital; a stronger balance sheet; the funding of acquisitions through the issue of new shares rather than cash; better bargaining power towards financiers; the opportunity for founders to realise capital gains; the facilitation of transference of family-held shares; expanded business relationships; enhanced status among stakeholders such as customers and suppliers; liquidity in shares; an effective pricing mechanism for shares; an improved public image and reputation and the ability to attract quality staff through the use of share options.

Greenhill emphasises that the reasons for a listing are unique to each company and a business will approach AltX with its own specific ambitions. He observes that most companies (and their directors) come to the AltX board with a certain amount of humility and do not carry around the aggressive hype of the 1997/98 listings boom. "There are some true entrepreneurs among them," Greenhill says. "They are comfortable with their success and let a rising share price do all the talking. They get on with running their businesses efficiently and through a quiet leadership style they surround themselves with good people. The age profile of directors is probably older than what we saw in 97/98. They also continue to hold significant stakes in their companies after the listing and remain committed and locked in. It is not the 'get rich quickly and exit' approach of the young Turks of the 1990s."

One of the greatest mindset changes for these directors is that they are now publicly accountable. Their businesses, financial results and even salaries are part of the public domain. They are restricted on share dealing at certain times of the year and are bound by rules regarding communication of price-sensitive information.

Greenhill says this new accountability to a wider range of shareholders and other stakeholders is usually the biggest shock. "In terms of additional regulatory compliance, the listing requirements are really the only extra burden and these are not onerous. It is the transparency that goes with a listing that is the big factor they have to get their minds around, but successful, quality companies don't have a problem with this."

Greenhill says the entrepreneurial spirit of the directors and senior management does not disappear overnight as the company becomes more "corporatised" on listing. "These people would be successful whether running listed or unlisted businesses. The good ones also work at their listings and take them seriously to gain maximum long-term benefit. The listing is merely a means to an end and many companies expand via future rights issues and continued capital-raising."

Over the past few years, while AltX has been building up its numbers with new listings, the other end of the spectrum has seen Enaleni Pharmaceuticals migrate from AltX to the JSE's main board. Although

Greenhill was naturally sorry to see this company going, he knew it signalled a major success for the company itself as well as for the small cap exchange. If Enaleni could migrate to the main board, so could any other company, given time. This is the ultimate reward for an AltX company – to grow to the extent that it finally migrates to the "big board" where it can be better served in its more mature form.

Greenhill says that the migration of only one company to the main board over a four-year period is most certainly not a failure for AltX or the companies listed there. "The AltX platform is an incubation phase for developing companies and there is no standard time limit in which they should move on. There is no pressure to migrate and they should only do so when the time is right and when they will be better served by being listed on the main board."

### **Who's Buying?**

One of the objectives over the past four years has been to stimulate investor interest in the high-growth quality companies listed on AltX. Greenhill took the view that if investors would not come to AltX, then he would take it to them. He organised presentations around the country, where companies could showcase themselves to the audience, and this worked like a charm in attracting retail investors. These presentations still continue and Greenhill says that the demographics of the audience have changed significantly over the years, with more female and black attendees now showing interest. Investors eventually started clamouring for AltX, and getting a chunk of shares before the listing – either through a public offering or private placement – is becoming a highly sought-after rarity.

In the main, investors on AltX are private clients, obviously not looking for high dividend-yielding stocks, as profits are usually retained in the early years to fund growth. But the small-cap funds of the institutions are showing increasing interest which is pleasing, considering there is little or no sell-side research from the stockbrokers on AltX stocks. Some of the smaller local stock-broking firms do have analysts who monitor AltX companies, but their generally small market capitalisations and trading values make it difficult to justify the costs of researching them.

There seem to be no mandates in place that exclude fund managers from buying into AltX companies, and inclusion in a portfolio then depends on investor appetite and the profile constraints of size, liquidity and risk.

The expectations put on AltX companies and the investor returns they should render must be realistic, says Greenhill. "AltX is another financial market, subject to the same rules of investing as all the others, and vulnerable to similar risks. Investors need to buy into the fundamentals of the company, not the share and not the specific exchange."

The Stock Exchange News Service (SENS) announcements from AltX companies previously had to carry an alert as to the special risks associated with companies listed here. But this "health warning" is no longer required as investors conducting proper research will (and should) know for themselves the unique risks associated with smaller or younger companies in a high-growth phase. Although AltX does its best to minimise investor risk through ensuring good corporate governance practices in these companies and rigorous market surveillance of share trades, the usual potential market vagaries and risks of investing are always present.

The dynamics that affect investor interest on the AltX are somewhat different to those on the main board of the JSE. Because so much of the JSE's market capitalisation is accounted for by large, dual-listed stocks like Anglo American, BHP Billiton and SABMiller, global events have a very large bearing on the JSE. But AltX has a collection of much smaller companies, three of which are dual-listed stocks with assets in Africa, so AltX tends to be driven primarily by local dynamics.

With hindsight, AltX was launched at exactly the same time as the start of a prolonged bull market, beginning in September 2003. Market dynamics were fortuitously on its side and it has effectively been a "fair weather" market, rendering great returns to investors.

### **Cornerstones of Quality**

The AltX mantra remains one of quality, quality and quality. The JSE will not negotiate or compromise on standards and if this means fewer companies listing, so be it. Greenhill cites the three cornerstones of AltX,

and the main factors contributing to its reputation and success as being: the compulsory requirement to appoint a Designated Advisor (DA); the AltX Advisory Committee that screens listings' applications; and the requirement that all company directors attend an induction course. Ironically, two of these founding cornerstones gave rise to some of the teething troubles of the new exchange. The requirement that the company have a DA at all times, not just for corporate actions, was viewed as being a rather costly and unnecessary expense, and directors with years of experience found the induction course requirement patronising. But the view on these requirements has since changed dramatically and they are now applauded.

The first cornerstone of AltX requirements is the designated advisor, or DA, who must be pre-approved by the JSE. The DA has many functions including providing an assessment of how appropriate a listing is, advising on the different methods of listing, compiling documents and providing ongoing assistance with listing requirements.

In the earlier days of AltX, a few DAs did test the system and brought along companies which weren't up to scratch. "They were basically taking a chance," says Greenhill. "But now the DAs have far more respect for the exchange and the listing process and will not bring a poor quality company before the AltX Advisory Committee."

Screening applications is the second cornerstone of AltX. When a company wants to list on this exchange, the first stop is when the application goes before this panel. Greenhill says the Advisory Committee's approval process is far more than just ticking the boxes and the company's Board of Directors and the Designated Advisors have to fiercely defend the quality of the application.

Applications may be refused, says Greenhill, but the company then has the opportunity to revisit the weaknesses or problem areas specified by the committee. Greenhill emphasises that a refusal does not automatically mean the company is of a poor quality. "It can sometimes mean that an AltX listing may not be appropriate at this stage of development. The composition of the board of directors may not be strong enough, BEE credentials may not be in order, or the company might need another year of

trading to become more sustainable. If we let a company that is not quite ready list on the exchange, it could regrettably find itself vulnerable to takeovers."

The procedure is that the applicant can present twice to the Advisory Committee. If it fails on the second application, it can ignore the recommendations of the Advisory Committee and still proceed by lodging documents with the JSE's listing division. But Greenhill says the outcome is unlikely to be different and the application will in all probability be turned down by the listings division for the same reasons. This is not the end of the road and there is yet a further right of appeal to the Listings Advisory Committee, but at this stage in AltX's history, no applicant has taken the protest this far. There have been some borderline cases where companies have been allowed to list, but with specified conditions that needed to be met within a certain period of time.

The third cornerstone of AltX is the induction programme that both executive and non-executive directors have to attend. These are sponsored by the Department of Trade and Industry and form part of its broad strategy of encouraging entrepreneurship and small business in South Africa. The external funding assistance from the DTI also eliminates any cost pressures on the companies listing.

Greenhill says that these programmes, run by the the Business School of the University of the Witwatersrand and the Institute of Directors, educate directors in matters such as the JSE listing requirements and insider trading rules. "At this point, directors realise the seriousness of the path they are on. Some experienced directors unashamedly acknowledge they should have been on such a training course many years back in their careers as it adds tremendous value."

The course also includes basic financial management, corporate governance, functions of the board and media/investor relations. It offers significant networking opportunities as directors from several companies attend the same four-day sessions.

## **The World's Greatest Optimist**

Although one should steer away from crediting a single person with the success of AltX, the market inevitably sees the baby *bourse* and Greenhill as inextricably linked. "Weaker men would have given up under the pressure," they say.

Greenhill himself had a very low profile prior to AltX. Having worked for Dimension Data, he also ran an ambulance service and sold medical emergency equipment. He says that with AltX, he just happened to be in the right place at the right time, but did have an interest in financial markets, having done an MBA research report in over-the-counter stocks.

It was fortunate that he carried no preconceived ideas into the job except the sheer belief that it would work. He was not deterred by the disappointments of the VCM and DCM and had unwavering faith that South Africa was ready for something like AltX. The enormous success of London's AIM spurred him on.

John Burke, the JSE's Listings Director, frequently tells a story (usually on the golf course) that perfectly sums up Greenhill's innate and endless optimism. "If Noah went into a hostile meeting and emerged with cuts and bruises on his face and was asked how the meeting went, he'd say, 'Great!'" says Burke.

Greenhill (who now has a broader mandate as general manager of marketing and business development at the JSE) says that with hindsight, the JSE would not have done anything differently, not even the attempt to make VCM and DCM companies move across. "At that time, it was a genuine attempt to offer them a reasonable alternative. The only thing that we would perhaps have liked was that in the initial stages things could have moved a little more quickly."

One unfulfilled goal Greenhill acknowledges is the lack of genuine BEE companies on AltX. While most AltX companies have good BEE credentials, only a few of them are truly black-controlled or managed. As at close of 2007, Ideco, Vunani and SAB&T were the only three BEE companies on AltX. Greenhill says he would love to welcome more grassroots BEE entities

onto the platform but this objective is constrained by the BEE Charters and Codes whereby black businesspeople can buy into already-established operations instead of having to start from scratch.

### **Where to from here?**

AltX is now a model showcase for other stock markets, particularly those in Africa, wanting to set up their own fledgling platforms, and the JSE is more than willing to share its knowledge and technologies.

Although the platform does make money in its own right, certainly more than the DCM and VCM boards, it remains a small contributor to the JSE's overall financial position. But the AltX board has a broad impact on society through the multiplier effect of its companies and their customers, employees and BEE partners.

Greenhill acknowledges that AltX is not for everyone. "As the name says, it is an alternative – for the company or for the investor. Businesses may be able to realise their goals via other more suitable routes. You only come to this exchange when it is right for you."

For those coming to the exchange as listed entities or investors, Greenhill says there will be a time in the future when the number of AltX listed companies will far exceed those on the main board itself. "It's a logical result, more representative of the broader business landscape, considering we have many more small- to medium-sized companies in the South African economy.

"To reach this goal, the JSE needs to be even more proactive in promoting AltX, while always maintaining the quality of the listings. If it takes longer than expected, so be it. Quantity will never be allowed to override quality. That's a given."

For further information about AltX:

[www.altx.co.za](http://www.altx.co.za)

[AltX@jse.co.za](mailto:AltX@jse.co.za)

Tel.: 0861 00 ALT X or +27 11 520 7323

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# Ian Lourens

CEO, ONELOGIX GROUP LTD

## **Company background:**

**Founded:** October 1999

**Activity:** Niche Logistics

**Branches:** Main offices in Kempton Park, Midrand, Edenvale and Johannesburg.

Branches in Cape Town, Port Elizabeth, East London, Durban, Beit Bridge, Harare and Lusaka

**Franchisees:** 221 countrywide

**Employees:** 850

**Listed:** September 2000

**Turnover:** R500m

## **Profile background:**

Ian was born and raised on the East Rand. Upon leaving Wits University in the late 1970's he spent three to four years working in the marketing departments of multinational branding companies. Ian started his own companies in 1981 in mining supplies and distribution, thereafter in property development, broking and valuation.

Ian established PostNet (with colleagues) in 1994 which was then sold into the newly established OneLogix in 1999. Ian is presently CEO of OneLogix Group Limited.

Ian is married to Penny and they have two daughters. His general interests include reading, writing, sport and the outdoors.



*I'd rather attempt something great and fail,  
than attempt nothing at all and succeed.*

– ROBERT H. SCHULLER –

**SIYA:** Could you take us back to the very beginning, Ian? Why did you start PostNet? What were the circumstances and did you have any fears about it at the time?

**IAN:** To put everything in context, Siya, I must start by saying that I've been an entrepreneur for most of my working life. When I left Wits with a degree I first worked for a company called Beecham and then for Hoechst, a German multinational, for three or four years. I worked in the Marketing Department, doing brand management and launching new products. At that stage I was about 25 years old. I soon realised that I was not the sort of individual who could work for others. I wanted to work for myself.

An entrepreneur has a very clear profile, which I, upon reflection, recognised in myself. It involves having a certain level of pigheadedness, fierce independence and a strong belief in one's own abilities. The more people say his ideas won't work, the more an entrepreneur is determined to prove them wrong. They don't enjoy working for others or taking instructions. Their ego, determination and resilience are exceptionally strong and, in a sense, they like to be in the limelight. In a way, an entrepreneur has many rather unflattering characteristics!

I somehow recognised these characteristics in myself from an early age. So I went out and started my own business. Actually, while talking to friends recently, I realised that I have started 15 businesses (almost all of which were started with my own capital) over the years, nine of which have been successful.

Their ego, determination and resilience is is exceptionally strong and, in a sense, they like to be in the limelight. In a way, an entrepreneur has many rather unflattering characteristics!

So by the time I started PostNet in 1994, I had already been involved in a number of businesses.

I found that I was very good at generating an idea, starting the business and building it up to the point where it required what I call “maintenance management”. That’s when I’d look to sell it to the professional managers. I never really saw myself as a professional manager. I am an initiator, an ideas person and I have a strong self-belief that I can make things happen. I’d gather the information, build a vision, get people around me, develop it and then look to sell it when it became a fairly mature business. This whole entrepreneurial process requires a fairly different mindset to that of the traditional professional manager.

It takes about four to five years to get a business going, develop it to some degree of maturity, then sell it and start a new one. That’s the pattern of production. But with PostNet, I became more deeply involved and stuck around longer than I normally would have. I started the business, with colleagues, in 1994 and, based on my track record, we should have sold it by about 1998. But I think in principle you get more involved when it’s a franchise. A very interdependent relationship develops with the people you work with. I felt that I owed it to the franchisees to make it work. I was morally involved and responsible to the franchisees and thought to myself, “Hey, I can’t move out now. We have to make this business more profitable, bigger and better.” At the end of the day, the profitability of the franchisee reflects our company’s profitability because we levy a royalty on the franchise network.

This interdependent relationship was very compelling and I stuck around, which was completely uncharacteristic of me. Now, some 13 to 14 years later, I’m still involved with PostNet. PostNet has since been incorporated into a listed entity called OneLogix. I am presently the CEO of OneLogix and the chairman of PostNet.

You asked whether I had any fears in starting PostNet. Of course, you’re always apprehensive when you start a business. You worry about a whole host of things. But I was quite a seasoned entrepreneur by that time, and I had started a lot of other businesses before PostNet started. PostNet is in

fact an international concept, which we brought to South Africa in 1994. The timing of starting this business was quite unique.

We opened in April 1994, which was when the first democratic elections took place. Many people were concerned about the future of South Africa at that stage. Was there going to be an outbreak of violence? Was there a future for the country? Surely not the time to invest a considerable sum of money and energy into starting a new business. In the middle of that turmoil and potential upheaval, we were cleaning windows, packing shelves and generally getting ready for the business to start. I think our action represented an apt metaphor for the way entrepreneurs work. We just believed that whatever happened, we'd make it work anyway. We exhibited the unconquerable self-belief which is so characteristic of entrepreneurs. It was great fun. The best part about starting new things is that every day is different and it feels fantastic to overcome the challenges each day presents. If you are enthused by challenges, you should become an entrepreneur.

Funnily enough, I don't think financial reward was ever a primary driver. I've always seen financial reward as a spin-off of starting my own business. I didn't say, "I'm starting my own business so that I can be a millionaire." I said, "My purpose in life is to start businesses. That's how I've been made. So let me go and fulfill my purpose." It was almost an aside that, if I did it properly, I'd make a reasonable living. People who say, "I want to start a business so that I can make money" have actually put the cart before the horse. I think one should say, "I'm starting a business because this is what I have to do in life". Your purpose, your design and your psychological make-up should be such that you just have to do it.

I remember a fantastic article I read many years ago about someone who went to Barbara Streisand and asked, "Please advise me, I want to know if I should become a professional singer." Barbara basically said, "No, you shouldn't!

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The very fact that you're asking me that question means you're not driven enough to do it. That question shouldn't be asked. You just know that you have to be a singer!" I believe the same applies to every successful entrepreneur. I suppose that my proposition is empirically untested, but I think it would make an interesting thesis for a degree. What drives entrepreneurs? Why are they doing it? I suspect I'm right; entrepreneurs are simply doing it because they have to, they know no other way.

As I mentioned, that's why I started all my businesses and also why I started PostNet. I've never really been overwhelmed by my fear. I've been apprehensive, which is good. For me, it was like running onto the rugby field; you're a bit nervous, but you're prepared. Fear for an entrepreneur can never be debilitating, because you just have to do it!

**SIYA:** Ian, you've touched on a number of important points, one being the belief in self. It's true that when you're starting a business and dealing with people, if you don't believe in yourself, who will? How did you choose the team of people that worked with you? Obviously they were not necessarily all entrepreneurs. So how did you inspire them to join you on this venture?

**IAN:** Often in life, things don't necessarily go the way you planned them. But sometimes it somehow all falls together and works out. If you get involved in something with your whole being, you manage to make it happen and hold it together. It takes a huge degree of passion. Passion is a word that gets grossly overused, but it's really the only way to describe one of the required basics you need to succeed.

As for choosing my team, I had some colleagues who started with me. We were all like minded. Others were subsequently employed by the business. Of course, PostNet also had franchisees. The big thing was to sell everybody the vision. They needed to be compelled by the vision, have faith in us as the leadership and believe that they would have great fun, they would grow as individuals, that the business would succeed and they would be part of that success. I had to be a motivator and a visionary. It's also important to engender trust because, at the end of the day, a leader is someone who finds people who believe in them, their vision, their credibility and authenticity. You can't call yourself a leader if nobody

follows you. This applies to leadership across the board, whether you're a professional manager, entrepreneur, sportsman, scientist – whatever. A leader inspires people to do things they never dreamt they were capable of. A leader allows people to grow and develop. Leaders never take their position for granted; they know they are in that position because their followers are prepared to be led by them. They are in effect given permission to lead.

As you sell the vision and create excitement, you build up a fantastically close-knit team where you become like a family. Each person feels that they are realising their potential within that family and they want to belong. The

problem comes when a business gets bigger and needs to be professionally managed. As it becomes systemised and, in a sense, bureaucratised, this family spirit has to change. I've seen many businesses killed because that change cannot be made by the leadership or the organisation.

In the early days of starting a business, nobody has a typical job description. If I asked you to go and buy lunch for someone we were meeting with, you'd do it, even if you were the financial person. Nobody says, "This is not my job". But the bigger a business becomes in time and size, the more bureaucratised it has to become. That's just a function of the growth and complexity of bigger businesses. At that point a whole different dynamic comes into play.

**SIYA:** I can imagine how frustrating that must be to an entrepreneur, when all you want is to get things done.

**IAN:** In my opinion, it's very rare that an entrepreneur either wants to or can make this change from being the sole visionary, the sole driver, the sole passion and the setter of the standards. A Harvard Business Review called

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it 'scaling-up', but I think that's the wrong choice of word. I'm sure they were referring to the greater scale of the business, but the word 'scaling-up' presumes entrepreneurs to be on a lower level than professional managers, which is not the case. Entrepreneurship and professional management in many ways are very different from each other.

But the question is, how does this entrepreneur, this person that we've said sometimes has unflattering personal characteristics, who has a driving passion and overwhelming enthusiasm, and who creates a family, suddenly adapt to having a big business that is listed on the Stock Exchange, where there's corporate governance and all sorts of things that are completely alien to the original concept and to the inherent characteristics of the entrepreneur? In my experience there are very few entrepreneurs who are able to make this transition.

**SIYA:** Earlier you mentioned that you've started fifteen businesses and nine of those have been successful. There's really no question that that is success. But to you, what does "success" mean? How would you define it? What would you say it means to be successful?

**IAN:** That's a profound question! I think success is probably about realising your dreams and fully realising your potential. Different people have different dreams and, of course, different potential. Not everyone is an egocentric megalomaniac who wants to control the world. Many want to be teachers, for example and they want to become the best teachers in the world. There are many people who want to be the best sportsmen in the world. Others want to be academics. So, it's really about your dream. If you can start achieving those dreams, then you'll be successful.

I firmly believe that action is better than inaction. In action there's great power. Just do something! Richard Branson says, "Just do it!", because in the process of doing, you learn a hell of a lot about yourself and what you're capable of.

I have young daughters who are trying to figure out what they want to do with their lives. I keep saying to them, "Find out about what makes you most happy and fulfilled. When do you feel you are realising God's purpose for your life?" And of course my daughter says to me, "When I'm doing

nothing, sitting in the sun reading a book!" Unfortunately, I think they can't relate to what I'm saying. They don't have enough life skills yet to clearly understand. But I tell them, "I don't mind if you want to be a singer, if that's what you're meant to do. Go and do it, because I know you'll do well. You'll be happy and then you will be successful."

I find a lot of young kids these days are thinking in a very linear fashion. They are taught by the system, their peers and by social pressure that they must do well in business, get a big car, a nice home and have some status. And, as I said earlier, I think if that's your dream, you're most likely to have a nightmare. In a sense, those things have to almost be unintended consequences of what you're achieving. Don't make the material things your goal in life.

**SIYA:** So are you saying that it's important for people to try to find their purpose early in life and to pursue that going forward?

**IAN:** Yes, and I can't emphasise this enough; you only find that purpose in action. It's only by doing things that you'll discover "This is not for me" and "Yeah, I like this". You can't just think, "Well, I'd like to be a game ranger". It's romantic and lovely; but when you actually go and do it, you find you're scared of lions! Then you're not cut out to be a game ranger. But you're only going to find that out when you actually do it. That's why I say there is great power in action. Don't be scared to do things. Don't sit on the fence.

**SIYA:** So action is key! But what about ambition, goals and planning? In your view, where do these things fit in – being an ambitious person, setting goals and actually planning your path?

**IAN:** Siya, I think this statement is all encompassing: Dream with your eyes wide open, and then go and achieve that dream. Ambition is the energy and the will that you need to achieve your dream. It's a very strong prerequisite. You can't let your ambition be derailed by setbacks. Every setback means that

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you're one step closer to reaching your dream. It's like running the Comrades Marathon – it's going to be a long run. Don't be upset by the first hill that you encounter; go through it! If you have to walk or rest, then do it. But don't say, "I'm going to chuck it in", and let your ambition go to waste.

Ambition is the determination and endurance that you have to exhibit in order to realise your dream, and your goal is the articulation of that dream. For instance, if you want to be a pilot, there are certain things you must do in order to get there. But the most important thing is to know in your heart of hearts that you are cut out to be a pilot. Because if you become a pilot and discover that's not what you really wanted, you'll have wasted time.

If you have an ill-defined goal and you haven't really articulated your dreams clearly, your ambition will be wasted.

**SIYA:** Let's talk about language and the words people use. Everyone has an idea of what they want their lives to be and what they would like for themselves, but somehow they think they cannot achieve those things. Often they actually communicate that they cannot do this or that. In your opinion, how important is the language we use?

**IAN:** Language is incredibly important because, in many ways, it defines meaning. It also expresses the essence of your mind and soul. You can often determine the state of mind of people by examining the words that they choose to explain themselves. You know, a spectator at a sports event thinks he's the best player. He always knows what everyone on the field should do. He's full of bravado. You can differentiate between the talkers and those who will or have achieved. The real test is when you actually have to do it. People say you can go to any bar in the world and you'll find guys with fantastic dreams. But dreams are a dime a dozen. Millions of people have dreams, but very few actually realise their dreams.

I think that's why ambition is so important. I don't know whether it can be taught. I've had long debates with people who think you can be taught ambition and even taught to become an entrepreneur.

**SIYA:** These days there are entrepreneurship schools, for instance.

**IAN:** Yes, I notice that some universities and schools offer degrees and courses in entrepreneurship. There is no harm in this, but I'm not sure about their potential success. This is because entrepreneurship is an inherent, almost God-given gift. There are many gifts and entrepreneurship is just one of them. It's not that entrepreneurs are God's gift to the earth! It's just that they know, in their heart of hearts, that this is what they are compelled to do.

I think, to a certain extent, you can teach or encourage people to start believing in themselves. But they will need to be nurtured, both emotionally and financially, the whole way. And maybe that's what we have to do in this country, because we desperately need entrepreneurs who can create jobs. But I think the true entrepreneur just does it because they have no option. They believe in themselves and that's just how they were born.

I think the true entrepreneur just does it because they have no option. They believe in themselves and that's just how they were born.

I would find it very hard to teach somebody to be an entrepreneur. It's like teaching somebody to play a musical instrument if they have no skill. They have to feel the rhythm; they have to have the predisposition to do it. If I'm trying to teach somebody to play the piano when they're never going to play it properly, well, I'm just wasting my time.

But I suppose we must still attempt to create entrepreneurs in whatever way we can. I believe, as I said, that it is more productive for us to create an enabling environment wherein natural born entrepreneurs can flourish.

**SIYA:** Also, I think that the self-belief you mentioned earlier starts from within.

**IAN:** That's true. I think it all comes from our social structure. I mean, my mother thought that her little bright-eyed and bushy-tailed son could do anything! She instilled in me the belief that I could do it. This is quite philosophical, but I think if we can create the right kind of strong, nurturing

social, financial and statutory environment, we can help people to believe in themselves and have confidence. That environment is one in which the integrity of the family is important and moral values actually become cornerstones of our society.

I think that's what this country really needs to do. I think it's going to be a prerequisite. I could elaborate on this well beyond the scope of this interview. But I would rather spend time creating that environment, even though it's for the longer term.

**SIYA:** Many people like to blame their circumstances and end up doing nothing. The other side of the coin is someone taking action, which is critical as you said, but finding they made an error in judgement. I know that entrepreneurs encounter these situations. Let's talk a bit about these two kinds of people.

**IAN:** There is a clear definition along those lines. I've said that action is

I don't want to watch the guys playing soccer; I want to be on the field myself. And by doing it I'll find out if I'm a goal-keeper or a centre forward or whatever the case might be. If I make a mistake, so what? And if I get knocked down in the process, so what? I'll get up and I'll come back again!"

critical. That means saying, "I'm not scared to engage. I'm going to give it a go. I don't want to watch the guys playing soccer; I want to be on the field myself. And by doing it I'll find out if I'm a goalkeeper or a centre forward or whatever the case might be. If I make a mistake, so what? And if I get knocked down in the process, so what? I'll get up and I'll come back again!"

As for the other group, some won't even start. When the first knock comes, they run and blame somebody. "Because you did this, or you did that ..." They are the archetype of the victim. They don't look at themselves and say, "Hang on. Maybe I did it wrong", or "Maybe I'm not cut out to do that. Maybe I should try something else".

I can't really relate to people who blame circumstances and other people, the self-proclaimed victims of society. They enter into the action anticipating failure and, while they're doing it, they're already asking themselves, "Who can I blame?" I have great difficulty in understanding "victims".

Entrepreneurs on the other hand have a large degree of self-awareness, even if they can't articulate it properly. They have a well developed understanding about what they're good at. And to a large extent, an entrepreneur first looks to himself when confronted by failure. He analyses what happened and asks himself, "Where can I be better? What should I have done differently?" Of course some people have better circumstances than others, but I still need to understand my own strengths and see what I can do with those strengths. I can only test my strengths through action, by doing something.

**SIYA:** So, the first question I should ask myself is, "What can I do? What am I passionate about?" And I must find the answers within, instead of saying, "Look at my situation; what could I do?"

But what would you say to someone who says, "Okay, Ian, I hear you. You're saying people must take action and all that. But in your case your circumstances were better. You had already started a couple of businesses before you started PostNet. You had money. Look at me; I'm in a rut, I'm lost, I have nothing!"

**IAN:** When I started my first company, I was in the same position. I had no capital and there was no queue of people wanting to support me, financially or in any other way.

You have to be a realist and not do foolish things. You need a strong understanding of how the world works, what can and can't be done, and how you fit into that. You need to know how to manoeuvre through this difficult minefield. Clearly I haven't emphasised this enough; you have to have a strong dose of realism and pragmatism, because there are certain things you can and can't do.

I think entrepreneurs are prepared to forego instant gratification. In one of

my first businesses, I worked from home. I did all the work myself. I worked long hours and I didn't have money. But I knew what I was doing and I knew that, if I did things right, I would get money. Nobody was prepared to lend me money. Actually, even when we first started PostNet, nobody was prepared to lend us money. They thought the vision was far too ambitious and foolish!

That's why I keep on saying that this idea of being wealthy is an end-product. I'll be speaking to someone this afternoon who is starting a business. They already have smart offices and lovely business cards and letterheads, and two or three more people than I think they should have. This before they have any customers! They have all the trappings and they've spent a lot of their money on things they possibly don't need at this stage.

Starting a business requires a large degree of pragmatism. When you're new to the game and don't have resources, you have to make a plan that's appropriate. Don't think you have to be driving a flashy, big car so that

Drive a small, beat-up car. It doesn't matter! Maybe you can't dress as nicely as your friends who draw a salary. Tough luck! You are foregoing instant gratification. Take the resources you have and plough them into the business. Don't worry about status symbols.

everybody can see you're a success, when you're not. Drive a small, beat-up car. It doesn't matter! Maybe you can't dress as nicely as your friends who draw a salary. Tough luck! You are foregoing instant gratification. Take the resources you have and plough them into the business. Don't worry about status symbols.

**SIYA:** I think those are exactly the critical errors that young entrepreneurs make, especially in the early days. They want to have nice offices, fancy business cards and drive a BMW right away.

That leads me to the question of discipline. In one of his books,

Jim Rohn says, "We must all suffer one of two things: the pain of discipline or the pain of regret or disappointment." He also says that discipline weighs ounces and regret weighs tons. What can you say about discipline?

**IAN:** Well first, that's dead right and very insightful. No success, in any field, is attained without massive self-discipline. Obviously you can relate to that, Siya, considering your own achievements. If you have a goal and a dream that you believe in, it almost follows logically that you are going to be disciplined, because nothing is going to put you off, and by the same token not a lot is going to come easily to you. You will be prepared to forego certain material benefits and things like having enough sleep, because you're working to achieve something you believe in.

But discipline also comes from self-knowledge. That's why I keep saying "Know yourself", because you must know what you're good at and what you're not good at. When you're not good at something, you can get advice. But if you're good, you can do it yourself. Analysing your own skills is also a type of indispensable self-discipline.

As for the pain of regret, I think that's so true. I must agree with your observation: you should never put yourself in a position where you regret that you did not do something. That, I think, is doubly painful. Many people will say, "I wish I'd done this" and "I wish I'd done that". In a way, they are also victims. Don't get yourself into that position! Do things if you feel you're compelled to do them, but do them with discipline. Dream with your eyes open, as I said earlier.

**SIYA:** I know another one of your passions is franchising. Correct me if I'm wrong, but it seems that getting into franchising, especially as a franchisee, is a good opportunity. Almost everything is already set up for you and you have somebody covering you in key areas where you would have found yourself stuck had you started from scratch.

What would you say about franchising and the general perception about it? Do you think people are taking advantage of the opportunities that are available?

**IAN:** I think franchising is a practical business model that is very suitable to South Africa because, by definition, it's empowering in the real sense of the word.

A franchisor develops intellectual capital, a brand amongst other things, and a business format. Then somebody buys into their vision. Statistically and empirically it's been proved that there's a massive increase in the possibility of success within a proven franchise concept. People who start their own businesses have somewhere in the order of a 10 percent success rate. But people who become franchisees have about 90 percent chance of succeeding. The comfort of buying into a proven system and being assisted is very empowering. I think that's what South Africa needs right now.

The franchise system is a good starting point for somebody who thinks they may be an entrepreneur, but doesn't have enough risk capital or even a propensity for risk to go it on their own. In a sense, with franchising, you're in your own business but you're not on your own.

There are many cases of entrepreneurs who have been nurtured in a franchising environment and have then sold the store and gone out. The person who started News Cafe was our very first franchisee. One of the founders of Enaleni was involved in food franchising. The person who now runs Taste was himself a franchisee. That's just three of the many I could mention. So, it could be argued that the franchising system can nurture and allow potential entrepreneurs to realise their potential. Even if you're not an entrepreneur, it allows you to develop your own business within the framework of a bigger brand that's already established.

I particularly like franchising because it's a team effort. You're neither dependent nor independent; you're in fact in an interdependent relationship.

I particularly like franchising because it's a team effort. You're neither completely dependent nor completely independent; you're in fact in an interdependent relationship. There's a very clear role for a franchisor and a franchisee. The franchisor articulates the promise of a brand and the

franchisee delivers the promise. Behind the scenes, you've got to work together to enable the promise.

For me, that whole scenario is quite compelling. I find that I'm naturally drawn to being a franchisor. I can articulate a vision, which, at the end of the day, is what a franchisor typically does. A franchisor is constantly articulating a vision, re-evaluating the customer proposition, sourcing new products and suppliers, negotiating better prices, analysing the market needs and how customers are behaving, and finding ways to better satisfy them. You are literally always inventing and re-inventing the business and then selling the vision to the network – the franchisees. I think that suits my personal profile.

Franchising, as a concept, is extremely powerful. It's empowering by its very nature and has many positive spin-offs. I think it's under-utilised in this country where it could be used quite extensively.

**SIYA:** That brings us to the question of empowerment. What are your views on Black Economic Empowerment (BEE)? Are you happy with the way it's being executed? If not, what would you suggest?

**IAN:** Let me say at the outset that conceptually BEE is absolutely the right thing to do. I hope that those involved from a policy-making perspective are looking to improve upon the concept. The issue is that it must be broad-based and the question of course is what skills are being brought to the table. Our country's heritage is such that there is not a particularly broad-based skills level. Therein, I think, lies the issue.

When asked, "What is the biggest issue facing this country right now?" people raise issues like crime. But to me, while combating crime is very important, the most testing issue facing our society is education. In the broadest possible sense, starting from the pre-school level, good quality education is what this country so urgently requires. I know that's going to take time, and time is not something that politicians really have the luxury of. It's demanded of them to find instantaneous solutions. But I think education, in its broadest possible sense, is going to be the biggest factor that will enable empowerment, in the broadest possible sense, to succeed. That must be our long-term strategy.

There are lots of things we're not great at, by the way. But there are lots of things in which we've exceeded requirements because we know that's what's good for the business and we know why we're doing it.

In my opinion, broad-based Black Economic Empowerment is generally well-conceived. But I would like to see it enter the hearts and minds of people who are involved, so that they will join willingly in the process. Unfortunately, legislation is necessary because there are so many reluctant participants. I believe if there were a compelling vision and an all inclusive plan, it would be a lot easier for people to willingly abide by the ethos of BEE. They wouldn't have to be score-carded and cajoled into doing things. People

have an amazing capacity to make things happen and work. Human beings are hugely inventive. I know it sounds a bit idealistic, but I think if we can create a political environment where South Africans can understand that these things have to happen to everybody's advantage, and the quicker the better, then we'll make it happen.

But for now you have to have the carrot and the stick, like tax incentives, etcetera. I'm busy with our score-card right now and that to me is a 'stick'. There are lots of things we're not great at, by the way. But there are lots of things in which we've exceeded requirements because we know that's what's good for the business and we know why we're doing it.

There isn't enough time to talk about some of the specifics. But I think we should concentrate on education and a common South African vision that actually compels people to buy into BEE. There are some practical things that need to be considered. But to be quite honest, I think we're on the right track. We're not far off.

**SIYA:** Let's talk about the decision to list in 2004. Why did you decide that it was time for listing and why was this important? How has it helped your business?

**IAN:** We listed OneLogix (of which PostNet is part) on AltX in 2004,

although we had listed on the main board in 2000. Between 2000 and 2004 we downscaled our business significantly, to the extent that it became a micro-cap. So we've had experience of being listed since 2000.

The circumstances evolved to the point that listing appeared to be the most viable option for the business. We wanted to grow the business, we needed access to more capital and we needed a credible profile that a listing would give us.

For me it was a massive learning experience because I'm not really a corporate animal. But I learnt a lot about finance that I'd never been exposed to before. It was brilliant, learning all these new things. I found that I could make the difficult transition from being an entrepreneur to being somebody that macro-manages a business. I've already said I don't like the word, but I found that I could 'scale-up'.

I now have a far greater authority to delegate, a concept which was previously alien to me. We've built a team of people who complement each another. I'm a leader who embraces and empowers people. In fact, at OneLogix we've got a triumvirate of management that runs this business and we each operate to our strengths. Once again, I believe that you should do what you're good at, and if you're not good at it, get somebody else to do it. I'm not a dominant, do-all leader. That hands-on type of leadership might have been required when we first started the business, but it's not required right now. Thankfully I was able to make that change. But, I'm still the one who enthuses and creates the vision, because that's what I've always been good at. I find that it works in this environment as well.

**SM:** What about growth? Now we're talking Rands and cents.

**IAN:** Oh yes, we're growing. We grow organically and we're growing very well. We are, of course, also looking to grow by way of acquisition.

**SIYA:** And the listing, being a public company, has that helped?

**IAN:** It's raised our profile which has many consequences, not least of which is that it will allow us to make acquisitions. It also facilitates credibility with all our other stakeholders such as suppliers, staff and even

shareholders. By definition we're high profile and transparent. People read our annual report and know what we're doing. It allows for things you could never do in the private domain. So, there's a big benefit in being listed and it's worked fantastically for us.

**SIYA:** Wonderful! This has been a really inspiring session and I now have only one question. You've set your goals, you've achieved them, and you've even surpassed some of them. What still drives you?

**IAN:** You know, you change as you get older. I see my role now as a mentor, to identify talent and to grow it. I really enjoy doing that. We have five businesses in the group now, of which PostNet is one. Each business has both a formal and informal programme in which we identify young talent and nurture it, and I love to do that myself. That enthuses me.

I'm also enthused by the general strategy of the business. When you have a fairly high-profile business that, whether you like it or not, is in the public domain and in the spotlight, you have to plan your strategy very carefully and articulate it clearly to a whole host of stakeholders. I love doing that.

And I love working with our leadership team, because they're exceptionally good. I'm blessed to work with a team like that and it's fun to work out strategies. Of course, when you're successful you have more fun. When it's not successful it's very stressful and you don't enjoy it. But thank God, at this stage we are successful and we're enjoying it. Those are the main things that keep me going.

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Not luck, not good luck and not very good luck, but commitment.*

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