

SABOA CONFERENCE 2012

23 February 2012

AN SMME PERSPECTIVE ON EMPOWERMENT OPPORTUNITIES

IN THE PASSENGER TRANSPORT INDUSTRY

Introduction:

About a 1 000 years ago, St Gregory used this phrase: “CURRUPTIO *optimi pessima*” meaning: “Corruption of the best is worst of all.” In the year 2012 this quotation is no foreign expression but all too common practises in our beloved country South Africa.

Dire need for Empowerment for SMME’S:

In a recent study it was discovered that the top 1% in South Africa is the “New Aristocracy.” Gone is the euphoria of our First Democratic Elections in 1994. Large Corporations and lobbyists control the National Agenda, while the middle-class incomes are stagnant; not to mention the scary volumes of almost 26% unemployment. According to Samuel Levey: “A small number of people also reign at the top and only a small portion have benefitted substantially from the eradication of Apartheid and Economic redesign. The rate of unemployment is a national disgrace. (The Cape Argus 24.01.2012)

Small Bus Operators (SBO’S) Defined:

The SABOA Council Meeting dated Friday 27 January 2012 aptly put SBO’S in perspective: “Reference could for instance be made to the fact that SBO’S have been in existence for many years and that they have played an important role in the Public Transport Industry by ensuring that passengers are able to travel to work, to school, to hospitals and clinics, to seek employment etc. on a daily basis. These operators have managed to continue running businesses without financial support from the Government.

Before scouting for opportunities for Empowerment there must be an element of:

a) *CREATIVITY:*

In the words of Carr and Johnson (1995): “Very simply, we define creativity as the generation of ideas and alternatives, and innovation as the transformation of those ideas into useful applications that lead to change and improvement...”

b) *VISIONARY*

Somebody with creative ideas needs to be a visionary and try to convince others to buy into his/her creativity.

The Western Cape Empowerment Opportunity:

We in the Western Cape were fortunate enough to have somebody with creativity and vision – The late Mr George Maluka.

He realised that in order for us to gain any government recognition, we had to register as a Co-Operative on 05 April 2000 with the **following objectives:**

1. To provide services to members with the object of facilitating the reduction of input costs in their individual bus business and thereby enable members to maximise their revenue from their business;
2. To promote economic empowerment and capacity building among members and the communities served by members;
3. To address and alleviate the common economic needs of members through the harnessing and exploitation of their combined economic force.
4. To obtain financial and other assistance for the mutual benefit of members.
5. To promote the causes of the Government's Reconstruction and Development Programme through concentrated and sustained programmes of economic and social upliftment and empowerment of its member community etc.

Determine the role players who will further your cause:

For the Western Cape the following individuals, businesses and companies were pivotal to our dream:

1. The late Mr George Maluka
2. The late Mr Dulla Omar (National Minister of Transport)
3. Mr Piet Meyer (MEC for Transport in the Western Cape)
4. Mr Hannes Grebe (Golden Arrow)
5. Mr Nick Cronje (Golden Arrow)
6. Mr Ray Karshagen (MAN)
7. Mr Peter Wolmarans (MAN)
8. Glen Rand
9. Abashlobo Directors
10. Siyakhula Directors
11. STANNIC
12. SABOA National

Business Plan:

Obtain the services of a professional to construct your Business Plan with input from all your members.

Western Cape:

Mr Peter Wolmarans took us through the motions of constructing our own Business Plan on 28 February 2000.

Empowerment Plan:

Your supplier of vehicles will have to present you with such a plan. Shop around and make comparisons. MAN provided us with such a plan on 17 August 1999.

Plan well in advance:

Our Plan of action:

22 March 2000 – Directors of the Co-op embarked on a vigorous campaign to access information regarding Passenger Transport by attending workshops; meetings Governmental information sessions and some of us even enrolled for a Certificate in Passenger Transport at RAU.

23 March 2000 – Met with Transportation Board

13 April 2000 attended a meeting in Atlantis presented by the Deputy Director of Transport

28 April 2000 – Met with Mr Piet Meyer the previous MEC for Transport in the Western Cape.

Identify your major competitor with financial supremacy and team up as your alliance:

03 May 2000 – We met with Mr Hannes Grebe General Operations Manager Golden Arrow.

05 May – Meeting with Mr Conrad Ozman Director of Transport and his Deputy Ms Wanda Le Roux.

05-07 May our first “Bos Beraad” in the holiday home of George in Bettie’s Bay to establish Siyakhula which will eventually teamed-up with Abashlobo and Golden Arrow in a Joint Venture to form the now renowned Sibanye.

18 May 2000 – We met with MAN and Stannic

01 July 2000 – Official Launch of The Western Cape Bus Operators Co-Operative; trading as Siyakhula.

Get a Lawyer preferably with a vast knowledge of the Transport Industry to determine:

1. Shareholding in your Company
2. To Register your Company
3. Issue Share Certificates
4. Guide you in your deliberations with your partners.

Shareholding in Alliance:

Make sure that your partners understand that your Previously Disadvantage Status will put them in good stead with the Government in order to be FULLY BEEE COMPLIANT and not just a “smoke screen.” Insist on even Shareholding.

That the **routes allocated to you are Audited and Economically viable.**

Directorship:

Insist on even representation on the Board of the Joint Venture

No Veto Rights

Memorandum of Agreement:

This should be thrashed out in preferably over a three day workshop with your Lawyer at your side.

Make allowance for a cooling- off period. Use this time to inform the rest of your members.

External Factors:

Distrust amongst Partners.

Greed

Your own people could turn against you.

Lack of Skills

Taxi Threat

Indecisiveness of Government

The termination of Tenders in the Western Cape on Thursday 22nd of March 2001 was a positive spinoff and to the advantage of Sibanye.

In Conclusion:

The biggest threat to the empowerment of SMME’S and to the Economy of our country is that of **Fraud and corruption** and Government’s inability to counter.

According to the Philosopher Confucius: ***“In a well-governed country poverty is shameful, but in a poorly governed country riches are shameful.”***

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