



President's Prerogative BBBEE in the printing industry



It should be clear that in an industry where 80% of companies employ fewer than 20 people, but where the remaining 20% of employers are responsible for more than 80% of all employment no simple "one size fits all" solution to an issue as complex as Broad Based Black Economic Empowerment (BBBEE) can exist. The well intended advice in this article is aimed primarily at the small to medium sized printers.

Be warned, merely finding a 26% empowerment partner is not the solution to whatever problem you have in this field. Be wary of potential partners promising the earth, moon and the stars. It may turn out to be an enduring nightmare.

The draft Codes of Good Practice document issued by the Department of Trade and Industry numbers 130 pages and is a complex document to interpret fully and even more complex to implement.

Empowerment spans a number of areas and only in achieving a balanced scorecard can one hope

to achieve success in this endeavour. Apart from equity ownership you need to address procurement, skills development, management and social investment issues as part of the scoring mechanism.

Let us look at procurement as an example. Do you use a percentage of overall procurement, and fail miserably, or a percentage of discretionary procurement? I would argue that if your company cannot procure a specific item from an empowered supplier you should not be penalised. Many consumables in our industry are only obtainable from large entities, often multinationals. We should therefore argue that discretionary procurement should be the basis of judgement.

Ownership is a touchy subject, as a great many of our members are true entrepreneurs who have built their businesses over many years and in many instances over multiple generations. The business may be conducted as a sole ownership, a simple partnership, a close corporation or a privately owned company where ultimate ownership is held by one or two active people whose entire lives are consumed by their businesses. Bringing in external partners, often people not known to them beforehand, can have

a disastrous impact on these entrepreneurs. My considered advice would be to follow a simple plan of action:

- Call your Chamber office to assist you in compiling a scorecard,
- Do an assisted self evaluation,
- Effect improvements that can be done at low cost and within a reasonable period of time, heeding the recommendations from your Chamber staff
- Do a second self evaluation, Utilise a recognized rating agency to assist you in obtaining an informal rating,
- Obtain further advice before doing anything rash; speak to trusted advisers whether they be your local Chamber, your bankers, attorneys or auditors.

PIFSA is in the process of finalising a range of services related to BBBEE assistance. Please make use of this service, it will be to your benefit. BBBEE is certainly an area where your actions need to be well considered.

The correct decision may have a very positive bearing on your business and your life, but an ill considered, hastily concocted decision may haunt you for many years to come.

International Newspapers: 400 Years Young!

The World Association of Newspapers has accepted evidence produced by one of the world's leading printing museums that 2005 marks the 400th anniversary of the birth of the first newspaper in print. Scholars have generally put the date at 1609, the year of the first preserved editions.

The Gutenberg Museum in Mainz, Germany, which houses the world's first printing press, has told WAN that the 'birth certificate' of the newspaper, 'Relation', was unearthed in the town archives of Strasbourg, now in France but at the time a part of the so-called 'Deutsches Reich'.

"The evidence is compelling and I think we can all say Happy - 400th - Birthday this year to the print

newspaper!", said Timothy Balding, the WAN Director General. Martin Welke, founder of the German Newspaper Museum, who is also the 'father' of the discovery together with Professor Jean Pierre Kintz, a Strasbourg historian, told WAN that the publisher of 'Relation' was a certain Johann Carolus, who earned his living at the turn of the 17th century by producing hand-written newsletters, sold to rich subscribers at very high prices, reproducing news sent to him by a network of paid correspondents.

And the rest is history...

"Today, more than a billion people a day, across the planet, read a daily newspaper in print - a figure, not incidentally, that has risen nearly five

per cent in the last five years", added Mr Balding. "So, we're not only 400 years old - or rather young - but we are globally enjoying great health and can presumably look forward to the next century or so, at least, with optimism".

The Paris-based WAN, the global organisation for the newspaper industry, represents 18,000 newspapers; its membership includes 72 national newspaper associations, individual newspaper executives in 102 countries, 10 news agencies and ten regional and world-wide press groups.

Enquiries to: Larry Kilman, Director of Communications, WAN,
E-mail: lkilman@wan.asso.fr





CEO Corner

Broad Based Black Economic Empowerment



PIFSA has been engaged in initiatives to assist our members to meet the challenges and opportunities presented by the need for Broad Based Black Economic Empowerment.

Up to now we have focused on the challenge (especially for small and medium sized businesses) of extending ownership to Black persons as defined in the Code of Good Practice. Several of our members have used our

Employee Share Trust document as a basis for extending equity ownership to employees, and this is a valuable tool for those businesses which are able to pursue this route.

It is a fact however, that the Code of Good Practice which has recently been published now refers to "unrestricted" voting rights. If a loan has been taken to finance the acquisition of equity this is regarded as a restriction, and only the difference between fair market value and the loan amount may be regarded as unrestricted. The intention is to measure the "flow through" to the real beneficiaries so that "fronting" is exposed.

Ownership and Management form a part of the Direct Empowerment aspect of the scorecard and comprise 20% and 10% respectively. Our concern is that many of our members may be concentrating resources and effort solely on the aspect of ownership without realizing that they are unlikely to obtain a full 20% on the scorecard due because (for example) deals have been financed or there are other restrictions on

voting rights or the appointment of directors by the new shareholders.

PIFSA will be offering practical advice to our members with the assistance of an organization named Bee2Business. We will be offering introductory seminars and follow up workshops which will assist members to identify what their score on the balanced scorecard is likely to be, and how to address the "gap" between where they are and where they need to be. The introductory seminars will commence in April and early May. Further Codes of Good Practice are expected to be finalized by government by the end of April.

Broadening the base of ownership of the economy is a social, political and economic imperative which PIFSA wholeheartedly supports, but we strongly suggest that members should speak to us before restructuring their businesses.

Chris Sykes
Chief Executive Officer of PIFSA

Power Of Print

Growth opportunities for our industry

The print industry is a growth industry per-se. It is organic mainly i.e. existing industries with slowly increasing requirements as the populations grow. However when looking at the non organic areas of growth opportunity there is one which stands out head and shoulders above all other, **LITERACY**. Get more people literate and reading and we have new users in abundance. Martin Luther King pronounced that "Knowledge is Power". Reading brings knowledge to the people. So let's try to understand the parameters of this opportunity better. To start with, there are 2 types of literacy problems confronting the world today:

- **ILLITERACY**-people who just cannot read at all
- **ALITERACY**-people who can read but choose not to read.

The former is primarily found in the undeveloped and developing worlds and economies. The latter is found primarily in the developed worlds and economies. It is estimated that there are at present 862 million illiterate **ADULTS** worldwide. Of these some two thirds are estimated to be women. If the current trend continues it is estimated that there will be 800 million illiterates by 2015. About 70% of the world's illiterates live in 3 regions:

- Sub-Saharan Africa
- South and West Asia
- The Arab States and North Africa

Research has proven that literacy levels have substantial impacts on society and on the economies. So let's have a look at these 2 differing groups:

Illiteracy...people who just cannot read. We know of many projects across the globe that attempt to address this unfortunate circumstance. Even the UN has decreed the current decade as the decade for alleviating illiteracy. In the main the illiterates are in the developing world and by far the majority of them are in the poor communities and in both the urban and the rural areas. Theirs is a problem of access to education and to literacy materials and programmes. There is absolutely no doubt that these people would dearly love to read but the access is where the problem lies.

By teaching the illiterates to read we would be increasing their life skills but reading for these people is not an end in itself it is only the beginning of a longer life skills path! The commercial payback is long term in this instance.

Aliteracy...is a totally different story. These are the people who can read and choose not to. In this context the definition of reading is to read beyond the materials that the Alliterates have to read to survive in their workplace i.e. memos, letters, documents, e-mails and the like. For a housewife it is recipes and children's homework. Their reading habit doesn't extend beyond workplace needs and demands. These people tend to be the better educated people living in the cities. They all tend to be upward mobile people whatever their status in life. As such they are undoubtedly people who have a need to succeed and to be in the know. Time is a real concern for them. They lead busy, pressured lives and as such any form of easy relaxation is a bonus when it comes around. Effort is what happens at the office. Reading is effort and it takes a long time. Takes time away from the other forms of

potential relaxation. Here TV and socialising are prime competitors of ours. The internet has a growing influence because of its dominance in the business life.

It has been estimated that if 10% of the illiterates were to become functionally literate today, they would immediately increase consumption by 20%. Also if 25% of the Aliterates were to become functioning literates they would increase the consumption by a further 15%.

The opportunity is there but how are we as an industry going to mobilise to capture these opportunities? Your thoughts and ideas will be very welcome. Write to Printalk c/o graleen@icon.co.za

World Book Day

23 April 2005

World Book Day was established by UNESCO at its general conference in 1995 and is celebrated internationally on 23rd April each year. South Africa celebrates World Book Day with numerous events planned around the country. Schools and public libraries will be providing special interactive reading, writing, storytelling programmes, competitions and book exhibitions.

For the last number of years, Cross Media Training Centre has printed 50 to 60 000 posters annually for this event. This year, the poster depicts a group of children outside a mobile library in Bonteheuwel, Cape Flats, in 1963 and the theme is "Reading is forever".



Techno Chat Reading and Literacy – How does it affect our industry?

It is estimated that 6-8 million South Africans can't read. 85% of all South Africans are functionally literate whilst 15% are illiterate. The literacy rate in developed countries is more than 10% higher. However, a-literacy is more widely spread, as many of those who can read, don't, for various reasons. This lack of a reading culture is being addressed both locally and internationally, where the reading culture will be actively marketed.

Improved literacy will: improve economic growth; reduce unemployment and crime; provide higher income, increasing buying power; contribute to improved health; improve cultural understanding and tolerance; enhance civic participation etc. – the benefits speak for themselves. Benefits to individuals include: enhanced life- and numeracy skills; problem solving skills; improved language and culture skills; school, tertiary and job/professional success and many more.

Past studies undertaken by READ have shown that a 10% improvement in literacy will increase the demand for printed products in SA by about 50%. PIFSA's involvement in literacy, reading and book promotion programmes over the past 13 years is a continuous effort to secure and step up the long term effects these will have on our industry and our members. Through our active participation in the Print Industries Cluster Council (PICC) we have developed public-private partnerships with several government departments and now have a say in how these issues are promoted and developed. A National Book Policy is being developed by PICC at the request of the Department of Arts and Culture. This will include recommendations on incentives for printers and publishers producing home-grown literature and other printed matter in South Africa, which will strengthen our global competitiveness, eventually reducing imports of printed products.

The lack of well researched statistical information in our country is one of the fundamental challenges facing our respective sectors and several

interventions to improve this have, so far, proved fruitless. Annual industry profile studies are being undertaken with government assistance and we need active member participation in these studies, as without them we cannot convince government of the extent of our plight.

A qualitative study into reading habits (or the lack thereof) has highlighted the reasons why school-going children of all ages do not read. There are many more pleasurable pastimes and activities vying for a young person's attention and young people seldom appreciate the moral, cultural, academic and economic advantages of reading. Limited access to and non-affordability of reading materials are often quoted as reasons for not reading; yet cell phones, lottery, clothing and other pastimes are often considered more important to people of all races and income groups. Copies of these findings are available from PIFSA.

A database on book, reading and literacy projects and initiatives is also being compiled by the PICC. Should you support or be aware of any such projects, please advise us.

Other issues such as intellectual property (including copyright), industry transformation (including BEE), advocacy and partnerships with government departments etc. are receiving much attention and our lobbying has eventually started to bear fruit. One of our major achievements in this regard is that all partners in the book/ LTSM supply chain have now been included in the Department of Education's LTSM (learning and teaching support materials) procurement forum. Please contact us with your input and comments. We need proof of what is presently happening in this sector!

Erich K hl Director Commercial and Technical Services
(011) 699 3000 or email to ekuhl@pifsa.org



Northern Chamber Capture Press Profile



Dean Viljoen – Managing Director;
Leanne Kelly – Marketing & Sales Director &
Terrence Raath – Production Director

Capture Press is a well established yet dynamic printing company that is run by a group of young, focused individuals, who are dedicated to delivering a quality product and giving exceptional service at all times. The team consists of well-qualified professional individuals who are familiar with the industry, and who understand the exacting standards that are demanded. The team is headed up by the 3 hands on owners and Directors.

Dean Viljoen, the Managing Director, was born into the Print Industry. His mother, Hennie Viljoen started Hennie's Secretarial Services in 1951. This business evolved into a printing business which Dean took over in 1989. In 1997 the name was changed to Capture Press. Leanne Kelly, the Marketing & Sales Director, and Terrence Raath, the Production Director, joined Dean in 1999, bringing along their fields of expertise to the business.

Leanne studied Marketing and Advertising, and started her career in the Advertising Industry. This experience has given Capture Press a good understanding of their clients business. Principles such as always respecting deadlines and supplying accurate quotes timeously have led to Capture Press becoming a recognised printer of distinction in Pretoria and further a-field.

Terrence is a qualified sheet-fed Lithographer, but now uses his talents to manage and train the group of younger talent which Capture Press now employs. The company prides itself on the fact that all their apprentices have achieved no less than 80% for their final trade tests.

In 2001 Capture Press installed an Agfa CTP system with Apogee workflow and Galileo platesetter, making it one of the first and at the time the smallest, companies in South Africa to go the CTP route. With the recent installation of Sublima screening, they remain at

the leading edge of this technology.

Their 4 colour Heidelberg presses in both A3 and A2 format give the company the flexibility to produce anything from Business Cards to Annual Reports.

Capture Press has been consistent in its achievements in the Northern Chamber of Print competition, with many Gold and Silver Certificates behind its name. Their best achievement to date was their Bronze Award in the 2003 Sappi Printer of the Year Competition.

The face of print has changed since 1951 when Hennie Viljoen started this successful business, and the business has evolved with the times.

The Directors pledge to continue in the same vein, always supplying an outstanding quality of work and exceptional service at all times. They will also continue to keep up with technology, and in so doing remain a respected player in the industry.



Central Chamber News

PIFSA and all Chambers will be shortly arranging a series of presentations/seminars which will cover the topic of BEE Compliance. The Chamber receives daily inquiries from members, who are under pressure from (mostly) clients to register or prove their Empowerment Status.

Of concern to PIFSA is the fact that the legislation has not yet been published in its entirety and is therefore not legally enforceable but, notwithstanding this, clients are applying commercial pressure to members in advance of the legislation to become "BEE Compliant". In their headlong rush to become compliant in order to secure orders, members are making serious errors and choosing the wrong partners for the wrong reasons, thus incurring enormous expense with minimal, if any, benefit at all.

PIFSA is in the process of reaching agreement with an Empowerment Consultancy on a joint venture into this aspect of business for the broader industry. PIFSA's involvement will ensure that the process is constantly monitored and that all members receive the same sound advice. We implore you not to proceed with any schemes under duress and to wait for the series of informative seminars which are being arranged, with the first one during the month of April.

Annual General Meeting

By the time this issue of the magazine is published, the central Chamber's 90th AGM

will have been held on Thursday 14th April, 2005, at the Cross Media Training Centre Auditorium. Gary Bailey, the former Manchester United football player has been invited as the guest speaker and, for the third year, ABSA have agreed to be the sponsors of this event. At time of writing, 165 persons have booked to attend the meeting and dinner - the highest number in the 13 years that this event has been running.

Of significant interest, is the fact that "Long Membership Certificates" will be handed out to members who have more than 10 years, 25 years and 50 years' membership. Once the Central Chamber reaches its centenary year in 2014, platinum level certificates will be issued to any members with 100 years membership. This is a significant achievement and we look forward to handing out these prestigious awards.

First Paper House Executive Development Programme

The management of First Paper House have once again kindly agreed to subsidise the 5th EDP in 2005, which will carry their name and which will be handled by the Gordon Institute of Business Science at their Illovo campus. This program will once again be offered over three days, this time without any optional extras.

The programme will run for Tuesday, Wednesday and Thursday - to leave the beginning and end of the week open - and will

be held in either July or September, depending on availability of dates. The date will be arranged to ensure that school holidays, public holidays and month-ends are kept free.

The sub-committee of the Chamber's Executive Committee, in consultation with the administration of GIBS have rearranged the programme and redefined the courses and the content, according to current requirements.

Members are urged to be aware of the fact that the printing and packaging industry is undergoing drastic change at this present time, with new legislation and new market forces in play. The number of companies operating within the industry as well as the number of employees has dropped significantly over the past five years and, if European and American trends are to be followed, will continue to shrink. It therefore stands to reason that only those firms with highly skilled and alert management teams will survive. All members, particularly those with fewer than 50 employees, are urged to seriously consider attending this programme in order to insure their survival. First Paper House have recognised the importance of this to them and their customers and have subsidised the programme to the extent that it is less expensive than other programmes run by the University of Pretoria (GIBS).

Enquiries may be directed to Ms Nicky Pottow on (011) 699 3044 or email nickyp@pifsa.org

Kwa-Zulu Natal Chamber News

Chamber Annual General Meeting

The KZN Chamber decided to change the format of the usual Annual General Meeting by combining it with a presentation to members on Broad Based Black Economic Empowerment.

A well attended function was addressed by guest speakers: Rory

Simpson and Louis McLaren who gave members useful insight as to the legislation and Codes of Good Practice surrounding it. A roadmap for businesses to address this issue was also presented.

As was clearly evident, this will not be the last that members hear of BBBEE. It is here to stay, and



Bill Kewley - KZN Chamber President (BK Bookbinders), Paul Knock (Knox Printing Co), Rod Samouilhan (Pinetown Printers), Barry Lynch (Printability)

business will have to take this into consideration when strategising for the future.

Congratulations to the new Executive Committee that was elected at the AGM. Welcome back to some who have served the Chamber well over the years, and a warm welcome to those new.

Chamber Break in

A rude awakening is what many business owners fear - when the security company responsible for the business premises calls after hours and says "there's been a break in."

This is what Chamber Director Geoff Warren experienced late on the night of the 22nd March. Fortunately for the Chamber, those responsible seemed to be beginners. Their attempts were thwarted by a quick response from the security company who were on the scene within minutes. Whilst nothing serious went missing, the safe (which does not carry cash) was moved about half a metre from its original position (it is a really heavy one). Judging by the finger

print smudges across the wall and over the passive detection units, the robbers tried to cover their movements by placing their hands in front of the passive detection units.

After securing the building and conducting an inspection of all Chamber assets, all went home. Upon return to the office the next morning, it was discovered that the premises had been visited again by these thugs. This time they did not enter the premises, but merely hurled some very large rocks through the windows. Fortunately, no serious damage was caused.

Training News

The Chamber is offering a selection of training programmes to members over the next few months. These range from specialist programmes in Labour Relations and Supervisor Development Training, to Safety training for Health and Safety Representatives, and the entry phase, Basic Safety Training.

Visit the Chamber website: www.printkzn.co.za

CROSS
M Profile
MEDIA
TRAINING
CENTRE

Nick Delport “This is my Life”



Nick Delport Managing Director
Cross Media Training Centre

I joined the Printing Industries Federation / SA Printing College before the big move. In 1992 the Federation offices in Orange Grove also housed the SA Printing College which at that time consisted of Willie Uys and myself.

Since then many dreams have been realised, goals achieved and many students have been taught skills. We also have made mistakes. Fortunately it has been through these events that we have all grown especially on a personal level, hence the title “This is my life”.

To be involved in skills development is exciting. But to be involved in skills development for the Printing, Newspaper and Packaging industry is a very exciting challenge. My life is full of challenges.

On a personal note, I am married and have one son who is 14 years old, and one daughter who is 9 years old. My wife is a primary school

teacher. Our lives are community based with most of our activities taking place within a 8km radius to our home. Our Church plays a very important role in our lives and serving Jesus is the cornerstone of all we do and strive to achieve.

The College has evolved into a business with 4 very distinct identities. It is trying to manage these 4 identities which tests my professional aptitude some days more than others. The 4 identities are: Full Time Students, Part Time Technical, Business School – with their Curricula and Theoretical Blocks, and the Conference Centre.

Each one of these have their own challenges and sometime frustrations. Managing the physical site itself is on occasion a task which consumes a lot of energy and lateral thinking. The evolution into these 4 entities has not been by accident either.

Funding this organisation has presented me with the opportunity to think ‘out of the box’, and as a result some of the business entities are specifically designated to fund/support the core competency of the Centre with regard to training and skills development.

Many pieces of legislation have over the last 11 – 12 years had a profound influence on the Training Centre. Not least of all the Skills Development Act and the Levies Act. This transfer of assets and responsibilities of the then Industry Training Board to the current SETA has had some interesting scenarios to be grasped by all parties concerned.

Over the years the support of our industries and specifically also the support of suppliers has been

a highlight. The College / Training Centre cannot function without this much needed support, both tangible and intangible.

Another highlight has been the birth of Cross Media Training Centre Cape Town which now also offers full time Electronic Origination/DTP Courses, Technical Theoretical Modules and a variety of short courses.

The decision to start the Business School is starting to pay dividends. Our industries are in dire need of staff who can fill the middle management positions with high calibre individuals. At the same time we as an institution have been successful in meeting the identity needs in terms of demographics necessary to align our member companies to the Employment Equity Act as well as the BBBEE Act.

Over and above the day to day management of the organisation, I still avail myself to many hours of lecturing both for Technical Theory (Generic) and for Phase 1 – 3 (Management) in the Business School. I believe it is essential to try and impart my own style, knowledge and life skills to the youth of today.

I am passionate about the industry I serve and feel honoured to be responsible for the development of the human capital we supply to this industry. At the same time I am mindful of the fact that development is a personal choice and sometimes you can lead the horse to the water but drinking from the fountain of knowledge is – well, sometimes it is impossible.

Nick Delport Managing Director Cross Media Training Centre (011) 699 3000 or email to ndelport@pifsa.org



Important College Dates			
Screen Printing	20 to 23 April	Microsoft Word	3 June
Finance for Non-Financial Managers	25 and 26 April	Microsoft Exel	10 June
A Passion for Brands	23 and 24 May	Wage Clerk	14 June
Intro to Windows	27 May	First Aid Level 1	23 and 24 June
Intro to Printing	26 to 30 May	Health and Safety	27 June



Cross Media Business School

Management student numbers on the increase

The Cross Media Business School experienced a **62% increase in students** on the Progressive Management and Progressive Supervisors course in March this year. 10 students enrolled for the Progressive Management 3 Course.

It has been said that South Africa does not have the workforce to sustain the growth in the economy. We have all experienced the skills shortage created by various factors.

Training has become a necessity for most proactive companies in South Africa. Directors have realised that the Skills Development Levy is assisting in covering the cost of training to their staff. The obvious benefits to the company are the immediate increased abilities of their staff, but staff feel that they are more motivated by the opportunity to further themselves. The staff feels that they are receiving training as a reward and not as a sign that the management finds them incompetent.

The Department of Labour has legislated first aid training to be done at every company. The first aid course will certainly be necessary when they have an accident at the company. But what about the rest of the time? That's what companies have realised. The opportunities are there to train new managers within their company, which can make them BEE compliant and also various other programmes which will enhance every aspect of their production and management of the business.

The Cross Media Business School believes that training should be an endless process, and is committed to providing the training solutions needed by the members of the printing and associated industries.

Companies are also training with an obvious goal in mind and not just for the sake of submitting a claim to the SETA. The Cross Media Training Centre is able to assist in the

formulation of a suitable long term training plan for companies. Skills programmes consist of short courses which can ultimately form a formal and recognized qualification. Thereby allowing staff to be trained at a pace at which they are comfortable.

The Southern African Printing College has increased its full time training duration to a year. This has several benefits to the company as well as to the student. Obviously the student will leave the college with far greater practical experience; 8 months opposed to 3. Lecturers encourage the students to use every opportunity to work on an impressive portfolio to take with them to the company interviews. Students who graduate from the College will have TT1, TT2, TT3 and a Phase 2 test. They are then able to enter into a learnership contract with a company to complete their training.

Contact Helga 083-279 5498, helgaw@pifsa.org

Cross Media Conference Centre Your Training and Meeting Place

The Cross Media Conference Centre is ideally suited to accommodate your next staff training initiative, a management and staff get-away or even a private function.

The versatility of this venue is unparalleled – the staff go out of their way to meet your every need and the price is right.

Tell your PA's the good news and make sure they get a quote from us for your next function.

Contact Lynne Heatherington at tel: (011) 699-3000, fax: (011) 699-3010 or e-mail her at lynneh@pifsa.org or conference@pifsa.org



The views expressed in Printalk are, unless otherwise stated, not those of the Printing Industries Federation of South Africa (PIFSA). Everything in Printalk and any attachments relating to the official business of PIFSA or any affiliated or administered Association is proprietary to PIFSA. Whilst all reasonable steps are taken, PIFSA can not assure that the integrity of this communication has been maintained nor that it is free of errors.