



# RECIPE

## FOR SUCCESS

Joshua Ngoma proves that putting control and ownership in the hands of those who do the work is how BEE should've been structured in the first place

By Kerry Dimmer

Two years ago, Joshua Ngoma, Siphonkosi, and former Eyesizwe mining colleagues Humphrey Mathe and Mxolisi Mgojo, joined forces to establish a black-owned business that would empower black people.

But, the group of men found government's BEE plan to be lacking, unsustainable and top heavy. There were some redeeming features though and with a bit of tweaking the team that is now Tranter Holdings established a highly successful company.

As Ngoma puts it, 'If this were a cake, Tranter Holdings became the oven, and the baking and sourcing of ingredients was transferred to those who do the cooking in order to reap the benefits.'

Focused entirely on the energy and mining sectors, Tranter facilitates sustainable black-owned or -managed companies that provide opportunities for communities to have a controlling interest in a sector-related entity.

It may be that in its simplest form, BEE constitutes the employment of senior black staff, investment in black ownership and meeting percentages, and Tranter Holdings certainly applies these rules when investing in projects.

However, this is where the tweaking comes in: 'Our mission,' says Ngoma, 'is to help people in our region become self-sustaining by utilising the natural resources they have in their own environment for upliftment, so that they no longer need to depend on handouts.'

'We exist for regional economic success. An absolute condition for our investment consideration, is that local communities have something to contribute, be this knowledge or skills. If they do not have these we will

help to empower them, teaching them to bake their own cake, so to speak.'

The transfer of wealth that results from the interchange of skills means that although Tranter may not own 100% of what it operates, it is a catalyst for individual and collective growth which, of course, has a significant impact on the development of local communities.

An example of the Tranter formula in action is one that Ngoma is particularly proud of. The discovery of granite on the doorstep of Mthatha in the Eastern Cape, motivated the establishment of Tranter Nyengane which comprises Tranter itself, local entrepreneurs and two trusts – one for each of the villages in the immediate area.

Tranter Nyengane is at an advanced stage of establishing an operation to quarry and crush the granite into various sizes for use in local construction projects.

'The income derived from the business will be used to help fund other developmental projects in the area, and secondary businesses, such as brick-making, will evolve as a result.'

Tranter has also identified valuable manganese deposits in the Northern Cape and North West Province. Together with Miore, a company comprising five broad-based groupings inclusive of women and the youth, Tranter Miore was established to engage in the exploration and exploitation of manganese. 'With time,' says Ngoma, 'the proceeds will again be used to fund other projects in the area.'

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Manganese and copper/cobalt is the focus for Tranter Zambia, with a licence to exploit in the Luapula Province of the country. Phase 1 of the development has been completed and if all goes according to plan, Ngoma expects to see a fully operational mine by 2011. The significance of this is that the same recipe Tranter applied in SA is being used by a purely Zambian management team with technical and financial support from the Tranter Group.

Tranter Holdings, together with Pangea Diamonds, have expressed interest in the sale of De Beers' Jagersfontein resource. One of the stipulations of the sale is that the buyer should be a consortium with strong empowerment credentials. There's no doubt that Tranter qualifies.

Through two Tranter entities – Tranter Kismet and Tranter Gold – the group has acquired shares in JSE- and TSX-listed Wits Gold and Great Basin Gold. Incidentally, Tranter Kismet evolved from a partnership with Kismet Investments, a group comprised predominantly of professional women, and was the first in Tranter's stable to address this previously disadvantaged group.

The growth of Tranter in the two-plus years since its inception is phenomenal. Subsidiary companies include an engineering service company, Tranter Energy and Mining Services, that has two large engineering manufacturing plants: Amazwi Power Products, manufacturing energy and mining equipment; and the sub-Saharan operations of Boart Longyear (renamed Tranter Rock Drills) in which all employees and management have a significant shareholder interest.

Partnerships with Bafokeng and Greater Lonmin have brought local community economic empowerment closer to mining operations with the development of satellite equipment repair workshops that will service platinum mines in the Rustenburg vicinity.

In the Steelpoort area Tranter has

partnered with technical professionals to form Amazwi Otex in order to facilitate mining equipment repairs.

Such partnerships are made possible by joining with mining houses like Anglo, Lonmin and Impala Platinum, which all support the empowerment of local communities through the procurement of services.

'We may not have the kind of resources other long-standing businesses have,' says Ngoma, 'but we have a big heart and we share whatever we can with those who have none.'

For Ngoma the reward is not about profit although he admits that it helps a business keep score. 'In most cases businesses are motivated by making money first and only think of people later. Tranter applies the opposite approach which proves that if you put people first (and given that you have a solid foundation), everything else will fall into place – including profits.

'In the early days of BEE, the flaws in the concept were evident. The icing on the cake, so to speak, was only for show, and yet all these years down the line, with all the wonderful resources and infrastructure that allows for self-development, there are still individuals waiting for handouts.

'It's frustrating that people depend on these without being prepared to get their hands dirty. To those who are willing to grow, whether as a business or an individual, we say that we will work with you to get you to where you want to be.'

Ngoma's hope is that a pay-it-forward scenario will prevail. He is indebted to those who have helped mould and inspire his own

journey, such as Alastair Douglas, one-time CEO of Cementation Mining, who was influential in Ngoma leaving his homeland Zambia to further his career in SA. Ngoma's mother taught him the value of honesty, hard work and respect for others despite their circumstances.

'If all those who have been helped, as I have been, in turn contribute to another's upliftment, then BEE becomes respectable and workable, particularly in the mining and energy sector where traditionally labour has been exploited.

'My future plans include spreading the Tranter philosophy across Africa through partnerships with local communities. This is, we believe, true empowerment,' says Ngoma, 'exactly what BEE is meant to do, proving that you can have your cake and eat it too!' ■

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