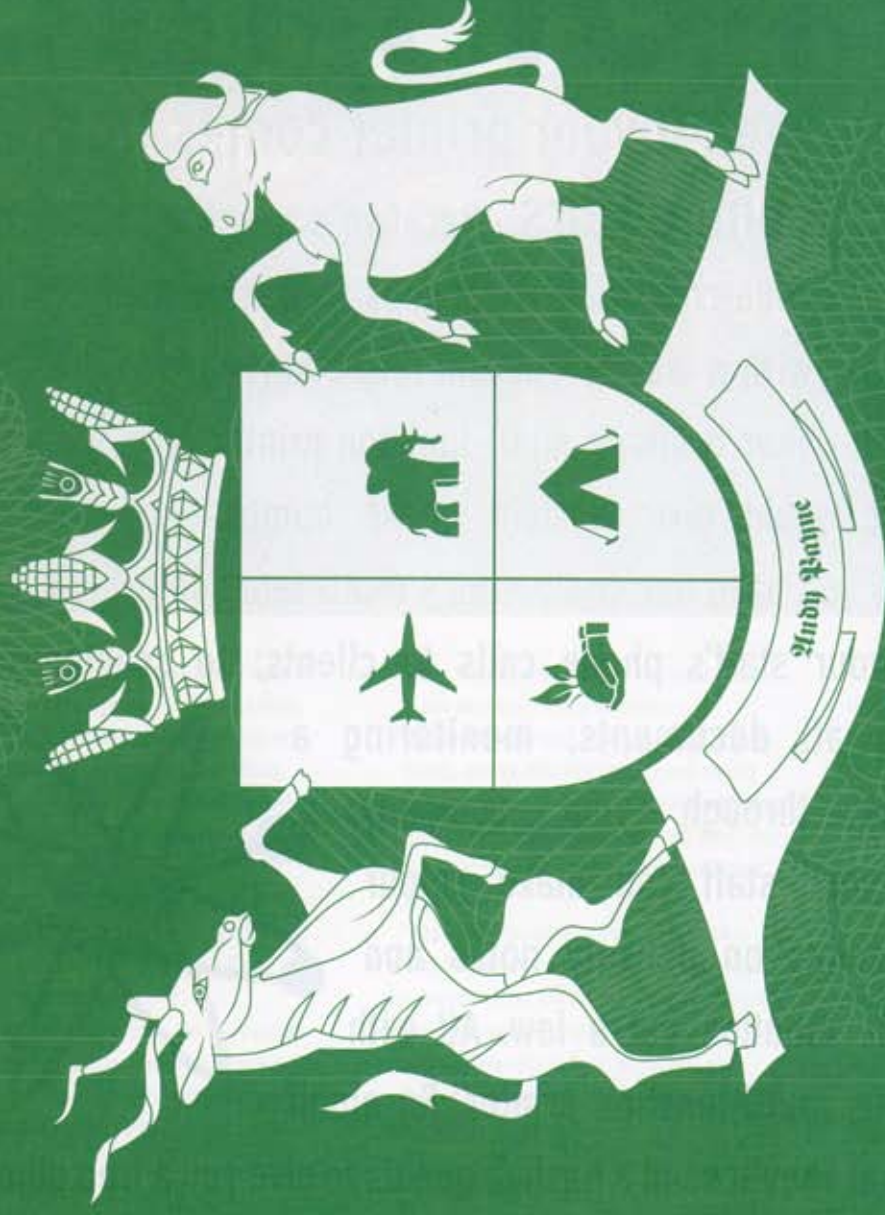


PROFILE | ANDY PAYNE



NO PAYNE, NO GAIN

Andy Payne believes that the greatest leaders are those driving social responsibility as a necessary component of business, not as an obligatory headache

BY KERRY DIMMER

Andy Payne is the CEO of Wilderness Holdings, the 423rd company to be listed on the JSE, the second on the Africa Board

If you conclude from the name that Wilderness Safaris is involved in tourism, you'd be right ... and wrong. 'What we really do,' says Payne, 'is build sustainable conservation economies.'

When Wilderness Holdings began operating 25 years ago it concentrated on the creation of journeys into Africa for discerning travellers who shared, with the organisation's creators, a common vision for environmental conservation, particularly in remote areas of Africa.

Over the years it became obvious that many of Wilderness Holdings' destinations were not receiving the attention they deserved: that the human footprint on Africa's most extraordinary landscapes was destroying the very thing that the company was hoping to preserve. It also became clear that communities and governments were doing little to nothing about caring for the environment, not seemed to understand the negative impact this would have in the future.

'Some 12 years ago, we began to look at our business carefully, endeavouring to work out what our true mission was,' says Payne. 'We came to a conclusion about the ideology of our presence — we found that we exist because the world's wilderness areas will save humankind.'

What Wilderness Holdings then did was to evolve. 'We've learnt,' says Payne, 'that we're a different business to the one we started where we originally saw journeys, we now see sustainable conservation economies. Where we had been spectators, we are now contributors. Our contribution is providing funded initiatives that benefit and protect areas in Africa, and in so doing, we are leaving a legacy of conservation for our children.'

Wilderness Holdings, through its tourism vehicle, hosts some 25 000 people over 2.9 million hectares of Africa. This incorporates eight of the 11 biomes in southern Africa across seven countries to 70 destinations. The conservation side of the business provides, through its Wildlife Trust, support to a wide variety of wildlife management, research and education projects, seeking solutions to conserve threatened areas and species while providing education and training for communities.

Talking strategy is right up Payne's alley. He intends to double, over the next five years, the number of Wilderness Holdings' guests and is developing a plan to improve the company's operational efficiencies.

Working in such a worthwhile environment has had a significant influence on Payne personally. He says the company has brought out the best in him and that it 'fits his skin'.

'I've learnt a lot from Wilderness Holdings,' he says. 'I've become a gentler person having learnt to respect people. I've also realised that money is less important than formal and informal education. But the strongest impact must be that I've integrated Wilderness Holdings' sustainability platform into my personal life.'

Payne does not work out of an exotic African bush lodge. His office is in an urban area and he fights daily with the usual grind of balancing work and home life. But, as he explains, 'it's easier for me than most CEOs because I really believe in what I do and what Wilderness does. It makes it easier to live with the normal day-to-day stresses.'

Business today needs to be more strategic; this is an absolute if your intention, like ours, is to deliver on results

Payne is a chartered accountant and one of the original founders of luxury Hoedspruit bush lodge, Thornybush. He describes his early career as rather short, vaguely straggling off a stint in banking and stockbroking as unimportant, until the Thornybush venture.

The offer to join Wilderness Holdings in 1994 was, Payne says, a reflection of his entrepreneurial spirit. 'My initial responsibility was to manage the business through a growing phase in its development. Everything changed for me with Wilderness's evolution. I am becoming wiser with age, and I now understand that there's no real replacement for experience. When you stop listening, you stop learning.'

Under Payne's guidance, Wilderness Holdings has merged two 'ecos' — economic benefit with ecological heart. 'Soon, we won't be able to tell where one stops and the other begins,' he says. 'In the meantime, the future cannot be a replica of the past, or even the present. Every day we must make improvements to the way we live.

That is our legacy. 



Furthermore, the recent inward listing on the Africa Board is a key step, designed to take advantage of Wilderness Holdings' strong growth.

'Business today needs to be more strategic; this is an absolute if your intention, like ours, is to deliver on results,' says Payne. 'Achieving this aim requires greater access to capital markets, a broader shareholder base but with a simplified corporate structure. Marry this to a fundamental drive to do good, conscienceable things, and we will continue to create a long-term performance platform that will be difficult to rival.'

PROFILE | QUINTON VAN ROOYEN



RIDING THE WAVE

Trustco's success is largely thanks to CEO Quinton van Rooyen's creative thinking and ability to embrace change

BY KERRY DIMMER

To date, more than 20 000 individuals have realised their educational dreams through Trustco's financing schemes

Some 2 300 years ago, Aristotle wrote that there is always something new coming out of Africa. Beck then it was easy to be original because not much had been achieved.

Today, however, it is incredibly difficult to be unique. Despite this, Trustco Group Holdings manages to be not only exciting and innovative, but its services are cleverly and strategically designed for the unique African market.

There can be no doubt that Quinton van Rooyen, CEO of the Namibian-based company, is a clever man. After qualifying with an LLB from Unisa in 1990, Van Rooyen was three weeks into his articles when he literally saw red. 'Piles and piles of red case files every morning. I just couldn't take it,' he says.

His saving grace came in the form of an opportunity to buy the entire equity of Trustco, a small property development company that was negotiating with him to buy a piece of land he owned. With little to no business experience, Van Rooyen made the investment and ran with it.

He admits that in the early years he was ignorant of the usual business practices. 'Things just happened and the majority of decisions being made were based on instinct. Through trial and error, my team and I discovered that we were more often right than wrong.'

The decision to move into microfinance, microinsurance and short-term insurance was a somewhat risky diversification. 'Microfinance in Africa is always going to be a bit of a gamble, but I don't include Namibia, SA and Botswana in that context. The North African countries have many more challenges than their neighbours in the south, where there is comparatively better infrastructure and legal systems. Besides, we do a thorough risk analysis before undertaking any new venture.'

Proper analysis proved to Van Rooyen and his team that financing the acquisition of personal belongings can make poor people poorer. Instead, Trustco's financial loans are only directed at further education, thereby providing value with a long-term benefit. To date, more than 20 000 individuals have realised their educational dreams through Trustco's financing schemes.

In its latest and most innovative venture, Trustco is addressing the tradition of honouring deceased family members with a respectable funeral. These are generally costly and unplanned expenses that the Trustco Group feels can be better taken care of without large monetary sacrifice by the family.

The patent that Trustco has registered involves partnering with cellphone operators who are prepared to pay over a percentage of airtime



purchases by cellphone users. This is used as life insurance to cover funeral expenses during the 30-day validity of the airtime, and is calculated in proportion to the spend. The concept is currently being introduced in Namibia, and Trustco will be marketing it in Zimbabwe, Ghana and Mozambique. Van Rooyen anticipates that this microinsurance scheme will realise the greatest growth for the company this year. The past year's results produced a healthy R137 million and much of that can be attributed to the listing of the company on the JSE's Africa Board, which Van Rooyen says was exciting given that it was during the peak of the worldwide financial crisis.

'We felt we were ready for a much broader African platform for our business. We weren't wrong. Liquidity on the newly created Africa Board picked up immediately.'

'The Namibian Stock Exchange still lags behind when it comes to its platform, which is paper-based, making it difficult to trade in the Namibian market. With the JSE dual listing we keep our pan-African identity and enhance our exposure in southern Africa and beyond.'

So to what does Van Rooyen attribute Trustco's headline earnings share of 35% growth year-on-year for the past seven years?

'I would say that as a company we are adaptable and versatile. The resilience of the group was also demonstrated during the past two years, where growth was maintained under exceptional economic circumstances.'

Of his own management style, Van Rooyen comments that he tends not to overcomplicate things. 'I'm a quick decision-maker but I have learnt over time how to respond to the market we operate in. I am also not afraid of change. I embrace it to the extent that I have been known to force change, although not for the sake of it.'

Over the past 20 years, the Trustco Group has developed a sound business model that it intends to replicate throughout Africa. But its current strategy is to wait until markets improve and stabilise before looking at acquisitions.

'In the meantime,' says Van Rooyen, 'we're riding the wave, and despite tough times, opportunities are still abundant. You just have to be a little more creative.'



IN THE MARKET

A round-up of the latest news. By Kerry Dimmer

THE X FACTOR

Staying anonymous in the execution of large trades is now possible on the JSE through hidden order functionality in the central order book. Called Block X, this facility will be valuable to traders wanting to transact large numbers of shares without revealing all the details to the market, while still being able to use most of the efficiencies usually associated with the public central order book.

'The development of Block X is in response to market demand,' says Leanne Parsons, head of the JSE's Equity Market. 'Good businesses listen to their customers and our clients indicated that while the transparent central order book has numerous advantages, they wanted hidden-order functionality too, such as that offered in JSE-listed securities.'

Remaining innovative, while still attracting trade and increasing liquidity, is a priority at the JSE. Since the announcement of Block X in April, trading in the local market has increased. This adds further to the recent growth in trade figures possibly buoyed by a revised equities billing system, which was implemented to recognise both low-value and high-volume traders. See page 25 for further details.

A BROADER BOARD

In response to listed companies wanting to facilitate the trading of their BEE scheme shares, the JSE will be launching a BEE Board in September.

The transfer of assets to the previously disadvantaged is an integral tenet of BEE. Until now, trading in this sector has been via over-the-counter, which limits trading activity to the disadvantage of black scheme shareholders.

'Trading on the exchange will encourage transparency,' says Russell Loubser, CEO of the JSE. 'It will also increase price discovery for the shares, all to the benefit of shareholders. Ultimately, the BEE Board will make it easier for scheme beneficiaries to buy and sell shares.'

The BEE Board will have similar requirements to those of the Main Board, and the Clearing and Settlement division will conduct post-trade monitoring of on-market trades to determine whether trades have been executed between legitimate previously disadvantaged clients.



IN THE MARKET

HAT TRICK

The record for the highest number of shares ever traded in the JSE's 123-year trading history was broken twice in one week during May.

The first record of 184 336 traded shares was achieved on 5 May only to be topped two days later with figures recording 189 253 trades, the value of which was more than R20- and R30-billion respectively. The cumulative trading figures for that week combined to break yet another record set in October 2008, recording 751 381 trades in one week.

It's significant that the record follows the JSE's introduction of its latest billing model aimed at encouraging more exchange trade by retail investors. It also demonstrates the continued confidence that foreign investors have in SA's economic prospects and the JSE.

(L)EARN FOR FREE

With one in two households saving less in the past two years than in preceding years, the annual travelling JSE Week Expo in March was as welcome in Sandton as it was in Soweto. JSE Week Expo also stopped at Cape Town's Canal Walk shopping centre and Durban's Gateway shopping centre.

The free all-day exhibitions provided would-be investors with basic investment knowledge and, says the JSE's Noah Greenhill, 'Demystifies investing, such as it being only for the wealthy or those with a large risk appetite.'

The JSE Week Expo is part of the bourse's plans to promote financial literacy and encourage a national culture of saving, and is supported by stockbrokers and financial service providers who cater for individual investors.

Participants were guided through a host of topics including investing on the stock exchange, share trading and ETFs.

AFRICAN SAFARI SMÖRGASBOARD

It's doubly good to be African at the moment. Following the recent listing of Wilderness Holdings on the JSE's Africa Board, comes the news that Nigeria and Senegal will be hosting the Africa Board's Advisory Committee.

The Advisory Committee's mission is to talk to companies and other interested parties about the benefits of listing on the board.

The committee will be sure to mention the success experienced by Wilderness Holdings, whose initial share price of R4.56 jumped to R5.75 in a few short weeks.

Maureen Dlamini, head of the Africa Board says this is an ideal vehicle for organisations like Wilderness Holdings. 'Africa is perceived as a mining- and resource-focused region. The truth is that the continent is far more diverse and its growth is building from that diversification.'

The Africa Board aims to list a variety of companies, inclusive of resources, from a variety of sectors such as tourism, infrastructure, telecoms, agriculture and finance.