

TIP OF THE DAY



The financial markets generally are unpredictable. So that one has to have different scenarios . . . the idea that you can actually predict what's going to happen contradicts my way of looking at the market.

George Soros

QUOTE OF THE DAY

"You can only become truly accomplished at something you love. Don't make money your goal. Instead, pursue the things you love doing, and then do them so well that people can't take their eyes off you."

– Maya Angelou
(American Poet)



Money

FINANCIAL ADVICE

Consolidate your credit card debts

I have racked up way too much on my three credit cards. I am using one card to pay for another, and am just staying in an endless cycle of debt. How do I get out of this cycle?

– Credit-swiped, Summerstrand

Answer:

If you have credit card debts, you can consolidate it to a lower-rate credit card. If you can secure a lower interest rate it is worth your while to consolidate your credit card.

The open credit score means that you build your credit history, so the creditors will always know your credit score. While you consolidate your credit debt, your credit score is getting lower, so all the debts will appear on just one card.

You need a credit report, because it is necessary to know how much you can afford on the credit score. You will have enough time to build up the credit score.

You can borrow from retirement or even from a family member. You may withdraw funds in order to pay off the debts. In order to pay down debt you can refinance the house or the car, or you can borrow against insurance.

You are able to take out a loan and even transfer the loans, but also to lower the payments over time.

Do not forget to even ask a family member to help you to get out of debt, but also a personal loan can be considered. Make sure that you can pay him or her back.

If your credit counsellor advises you to consolidate your debts while getting better rates, there is no doubt that this is the best way.

Make a list of your credit cards and the interest. Then on another list write the new rates that you would pay. Of course, if the new rate is lower than the old one, consolidating would make sense to you.

Obviously if initially you have low interest rates, there is no sense in your consolidating your debt. Consolidating your credit card debt can help you get out of debt, but it also makes it possible to close out other accounts.

Luke Hirst, debt counsellor, chief executive, Debt Busters. For more advice go to www.debtbusters.co.za

How Bozza takes care of his bucks

BusinessLIVE reporter Gaongalelwe Moatsho interviews rapper Bozza of hip-hop group Skwatta Kamp on his money matters.

Q: Are you a spender or a saver?

A: I think I'm both, but more of a saver because I do a lot of thinking before I purchase anything. I don't buy stuff I don't need.

Q: Have you ever been in debt or really short of cash?

A: I have been short of cash before. I believe it happens to everyone. When I bought my first car, I used my brother's name. Somehow I couldn't balance my spending properly and ended up falling behind with the instalments, but it was sorted.

Q: Is there anything you really like to splurge on?

A: I splurge on my parents, partner and buying musical equipment for my studio, as well as music CDs. I see it as good spending, because it inspires and assists me in my productions. I see it as an investment too. I like buying clothes and just looking good. I want to look presentable since I see myself as a brand and therefore image is very important. I also spend money on gadgets (Playstations, games, iPods and phones) as they serve as my stress relievers. I love my soccer boots too.

Q: What do you think of internet banking?

A: I think it is the future. It is good for everybody, especially for me because I don't have time to spend in queues.

Q: How do you separate spending with your partner?

A: I am a family-oriented person . . . and don't have issues with sharing my finances with my partner. I believe what should drive any relationship is love and trust. We share responsibilities. I mean we buy everything together – groceries, household appliances, clothing and furniture . . . She helps me not to overspend, but to get all the necessities. I think it is wise to share.

Q: How do you prefer to pay for things – cash, credit card or account?

A: I prefer paying cash. I think my career also does not allow me to do any credit purchases. I don't like spending what I don't have because I can't guarantee what is going to happen tomorrow. So I need to deal with the present and prepare for the future. Using cash also drives me to work harder in order to purchase whatever I want and save more for the future.

Q: Is there anything about money you hate dealing with?

A: I hate people's attitude towards money. Money changes people. Basically if you don't have it, you don't have a life. People don't take you seriously . . . The only thing I hate about money is how people idolise it. There are too many temptations where money is involved . . . therefore trust is always an issue.

Q: How does the taxman treat celebs and their cash?

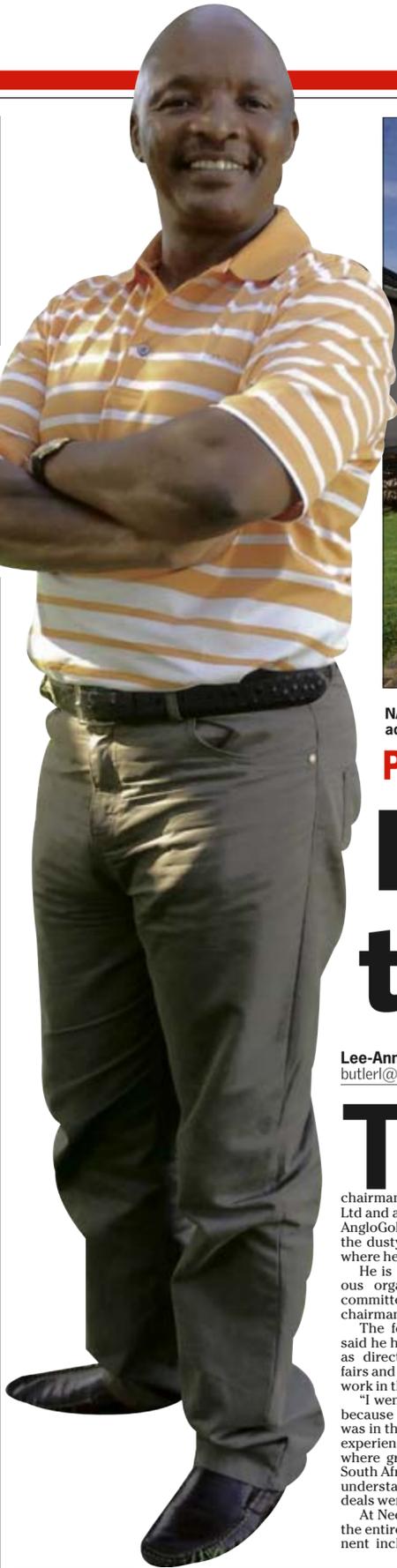
A: I treat the taxman as somebody who is doing his job honestly. It seems very harsh when he deducts your money, but it's a reality that the money is needed to run the country . . . I'm not friends with the taxman but he is doing a good job.

Q: Will you have enough money when you retire?

A: I don't think I will ever retire. I'm in an industry that allows me to stay as long as I want to . . . The day I retire will be when my bank manager calls me to inform me I have too much money in my account and he can't handle it anymore.



BOZZA



NATURAL FLAIR . . . Prominent Port Elizabeth businessman Siphosiphanyo Pityana says it is more important to develop others who are disadvantaged, especially the youth, in order to develop and grow the community. Above: His house in Mill Park. Pictures: JUDY DE VEGA

PROFILE: Pityana has come a long way from dusty New Brighton

Economics paved the way to success

Lee-Anne Butler
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THE road to success for Siphosiphanyo Pityana started with a natural flair for public service, finance and economics. Today Pityana is executive chairman of Izingwe Capital (Pty) Ltd and a non-executive director of AngloGold Ashanti – a far cry from the dusty streets of New Brighton where he was raised.

He is also on the board of various organisations, councils and committees and has held various chairmanships.

The former Bay United owner said he had worked in government as director-general of foreign affairs and of labour before leaving to work in the banking sector in 2002.

"I went to work for Nedcor and because my work in government was in the economic portfolio, this experience gave me a sense of where growth was likely to be in South Africa. It gave me the tools to understand the market and how deals were being done," he said.

At Nedcor his portfolio covered the entire African business component including retail, SMMEs and

the financing of big infrastructure. It also involved the funding of big government projects like Transnet and SA Airways.

At the same time Pityana formed a consulting and advising business with an associate, Ashley Ally, who ran the business full-time while he worked for Nedcor.

"I knew I was not going to be in the banking business for the long haul and when an opportunity came about for us to buy 30% in Aberdare Cables we went for it.

"Many people do not realise that after the automotive sector it is the biggest manufacturer in the Eastern Cape."

Pityana said the purchase gave him the opportunity he was looking for. He sold the consultancy business and moved on to other deals.

"Our aim was to build a portfolio of assets and to have a strong balance sheet. We moved on to big companies that had entities which were not their core business. We would buy them and help them turn around, and in some cases sell

them again."

Pityana said he was proud that in all the businesses Izingwe had been involved in he had managed to make a positive difference, even as a minority investor.

"We always ensure that the finances are run well. We focus on issues that are sensitive to the environment such as employment equity and skills development. Wherever we can we focus on making an impact on those less fortunate."

Pityana said he then turned his focus to making an impact on the less fortunate. Coming from Port Elizabeth originally, he invested in soccer

team Bay United. Pityana said he put all his time and energy into the team while it was in the Mvela League and soon the club played in the Premier Soccer League (PSL).

However Pityana was forced to sell the club last year due to lack of funds, stemming from the team's demotion from the PSL at the end of 2008/09.

"It was costly but I do not regret

buying Bay United. We managed to show that we have the right talent here and we have great enthusiasm here, but the city was just not ready. We have to get our act together and support our teams. As owner I had to get the funding for games, training sessions. There was simply not enough support."

Pityana still assists the youth and through the Izingwe Foundation, he has donated to the development of his alma mater, Charles Duna Primary School.

He said he had exciting business plans for the future. "In some areas we are going to increase participation in investments. We are heading for a major repositioning. Many people have this perception of black success coming through dishonourable means, but this is not always the case. I run away from all the shady deals."

The former Herald GM Citizen of the Year business category winner said he was also a family-oriented person. He shares his life with his wife Nkulile and his sons, Mtha, 23, and Zukisa, 20.

Our aim was to build a portfolio of assets and to have a strong balance sheet

Eastern Cape technology keeps flowers fresh longer

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A SOUTH African company has mastered the art of preserving fresh flowers for months – even up to a year – by using a technology discovered and patented in the Eastern Cape.

Iluba, now based in Gauteng, supplies long-lasting fresh cut flowers and foliage for the local and international market, with exports to Europe and soon to Australia as well.

Iluba chief executive JJ Viljoen said the method – which includes using locally grown flowers and foliage for the local and international market, with exports to Europe and soon to Australia as well.

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the farm workers' wives.

"Soon she came up with the idea of trying to increase the shelf life of roses and she tried several different methods over five to eight years before coming up with this process," he said.

Viljoen said he became involved when he received a call from the Innovation Fund to ask whether he could manage the project, as he had been involved in several scientific projects in the past.

"I came up with a business plan and eventually I became more and more involved in the project. Tinie was elderly and heading for retirement. They wanted to buy a lodge and live out their retirement years, so I bought the business from her," he said.

Viljoen said he moved operation to Muldersdrift on the West Rand because altitude was more suited to the growing of fresh flowers.

"We work with freshly cut flowers and they need to be cut



LONG LIFE . . . Jacqueline Barnett (left), NMMU's director of innovation support and technology transfer, and the department's secretary, Elsa van Wyk, show off Iluba long-life flowers, which can last up to a year. The university assisted the company in getting its technology patented.

soon after the bulbs open. Any new product has its challenges, but we have found that in just over two years of operation we are already exporting to Europe and Australia. We

have also employed 50 people and towards the end of the year we expect to increase this to 100 people."

"We would not be where we are today without the assistance of Jacqui Barnett at NMMU and all their help with getting the technology patented. Then the IDC and Seda have also been instrumental in getting us funding."

"There is another company specialising in longer-life flowers in South America, but I have heard that they are getting quite worried about us."

Viljoen said flowers could last up to a year, depending on the way they were handled and kept. He said Iluba used chemistry and a dipping process to preserve the flowers for months.

"About 70% of flowers are sold as a gift for Mothers' Day or for Valentine's Day, while 15% are for funerals and weddings and 15% are for the lifestyle and decor market where restaurants, hotels and households use them to decorate."

"It has become quite expensive for them to replace flowers weekly."

We give them a natural alternative to artificial flowers."

Viljoen said although the cost of Iluba flowers was four times that of normal flowers, the cost saving was huge for the consumer, depending on how long the flowers lasted.

He said he was hoping to expand the business soon by securing agents and distributors in other regions of the country.

