

Saint Madlala

– the “voice” of SALTA

Saint Madlala, liquor wholesaler, and president and volunteer CEO of the Southern African Liquors Traders Association (SALTA), is passionate about the association’s paramount focus: Being the voice of liquor traders by addressing their plights. June Maurhart, Thea Fox and Thabo Moeketsi interviewed this industrious man with a remarkably composed guise.

From the outset, Madlala underscored that SALTA, which works closely with government, was not SALSAs (South African Liquor Stores Association). SALTA’s membership base – a staggering 250 000 according to an audit done in 2004 – consists of B&Bs, restaurants, shebeens, taverns, liquor stores, and micro and sorghum distributors such as United National Breweries. In fact, SALTA, represented countrywide with its national office at Nasrec in Johannesburg, utilises some of United National Breweries’ premises, e.g. the SALTA Vaal office, and is negotiating with United National Breweries for accommodating SALTA’s four other provincial offices in KwaZulu-Natal, Limpopo, and the Eastern and Western Cape.

Members, who attend large gatherings held regularly around the country, receive capacity building training given by competent managers at SALTA offices.

The electoral process is as follows:

Branch Level – Members, making up the General Council, join the National Body directly via the branch. The General Council elects the Executive Committee (Exco) of nine members. The Exco appoints the Management Committee (Manco) and other ad hoc committees and project teams.

Provincial Level – Four members from each branch are absorbed in the Provincial Council. The Provincial Council in turn elects the Provincial Exco, who then nominates five members to the Provincial Manco. Similarly, the Provincial Exco appoints members from the council to serve at ad hoc committees and project teams.

National Level – The National Council (NEC) elects the National President and the National Exco, who in turn appoints the Manco, ad hoc committees, and project heads and teams.

Administration – National Level – The National President is the CEO / Head of Administration and the link between the elected officials and the organisation’s remunerated personnel. Various functional departments and projects are in existence.

Madlala, on explaining the formation of SALTA, said, “The forerunner to SALTA, namely The National Taverners Association (NTA), was a direct consequence of the Soweto uprisings of 1976. After the new political dispensation in 1994, government, under the direction of the then Minister of Trade and Industry, Alec Erwin, advised that the liquor industry speak with one voice. The only active liquor traders at the time were the NTA, UTASA (United Taverners Association of South Africa) and SATA (South African

Taverners Association). At a specially convened summit, it was resolved that the three groups disband, merge and form a new representative body for the liquor industry.

“NTA and UTASA disbanded, however it was not possible for SATA to disband. NTA and UTASA merged to form SALTA and an alliance relationship was created between SALTA and SATA. As things progressed government embarked on a process to decentralise the liquor board, which resulted in the promulgation of provincial liquor Acts for Gauteng and the Eastern Cape. The Gauteng Provincial Liquor Act no 2 of 2003 created the Gauteng Liquor Traders Association (GLTA), of which SALTA Gauteng is an affiliate.”

Asked about SALTA’s mission statement, Madlala replied, “SALTA’s objectives, amongst others, are to promote entrepreneurship and sustainability, to provide institutional support for members to achieve their full potential, and to encourage, promote and improve the education of its members in the best possible manner or means that seem best calculated to achieve its objectives.”

Madlala accentuated that SALTA assists with liquor licences charging a nominal amount. “The biggest stumbling block for taverners to go the licensed route is money. SALTA charges R1500, while other consultants and lawyers charge anything from R3000 to R16 000. Would-be taverners must be aware that not all consultants are above board. SALTA comprises of consultants of integrity.”

Madlala expressed his evident ardour for safeguarding the interests of the small business man when he eloquently stated, “That’s how I got started.”

In response to the percentage of members licensed, Madlala said, “Approximately 40% or less nationally. Almost 70% of liquor traders are from the shebeen sector and have temporary permits in Gauteng and the Eastern Cape.”

The Taverner team was baffled at the intricacies and strictness of an establishment being granted a liquor licence. The criteria are straightforward enough: volumes are not important and one must be a liquor trader, amongst others, as the major objective of granting a licence is to fight the abuse of alcohol. Then comes the red tape:

- A document to prove lawful ownership of the property that is to be licensed;
- Approved plans indicating a 40% re-zoning business-operated area (in the case of taverns as well as shebeens);
- A police clearance certificate;
- A receiver of revenue certificate;
- Consent from the municipality and neighbours for a tavern or shebeen to be operated;
- A motivation letter addressing public interest and research, e.g. the property must not be within the prohibited radius of schools, churches etc; and
- A notice of intention to apply for a licence to be published in two local newspapers and the government gazette.

In reply to the cost associated with temporary shebeen permits, Madlala said that they were supplied free of charge as per government’s instructions. “The use of temporary shebeen permits has been extended until end December 2007. In its place shebeen licences will be renewable each year. An official announcement has not been made as yet, but I believe government will take that route.”

Speaking about SALTA’s daunting task, Madlala said that numerous challenges have been identified in realising SALTA’s vision and mission by New Heights Skills Development and Management Consulting, with many years of experience in enterprise development and the liquor industry.

New Heights Skills Development and Management Consulting is a 100% black women-owned organisation established in 2000. The organisation’s main purpose is to share knowledge and transfer life and entrepreneurship skills that will enhance economic self-sufficiency to communities and individuals, and enable them to make a better living for themselves, their families and the South African society.

As a starting point, New Heights proposed the Zenzele (Basic Business Skills for Micro-Entrepreneurs) training programme that is geared to providing entrepreneurs with skills to plan and manage profitable business enterprises. This training package addresses a critical training need that has not been appropriately met by the vast majority of enterprise training and support programmes.

In closing, Madlala shared with us the programme that is aimed at complementing SALTA and local authorities’ economic development plans, and adding value to ventures owned by liquor traders.

The modules will equip learners with knowledge of sound business management, and the focus is not on qualification but on the impartation of the specific skills to enable traders to:

- Examine reasons why people go into business and reasons for businesses failure;
- Understand how and where to look for business opportunities in order to enhance their existing business products;
- Understand the components of a feasibility study, identify the target market, competitors and their competitive advantage, the suppliers, required resources, and financing options;
- Identify and choose suppliers and the purchasing procedures;
- Examine the importance of correct costing and pricing;
- Understand the reasons for stock control, the benefits of controlling stock and various stock control methods;
- Compare monthly budgets with actual expenditure increase alerts to issues of income and expense;
- Understand the concept of the 6 P's of marketing;
- Develop personnel policies, address staffing needs, design job descriptions, and interview and select candidates;
- Understand the importance of a business plan, which brings together all the elements that go into making a business successful;
- Understand the importance of compliance, i.e. Business Registration, SARS, UIF, PAYE, Workman Compensation, Labour relations, Employment Equity, Skills Development and the National Liquor Act;
- Understand the effects of HIV/AIDS in the workplace;
- Understand the effects of alcohol, underage drinkers, and responsible drinking.