

FINAL REPORT

TO

CARE INTERNATIONAL (SWAZILAND)

ON

SWAZI COMMERCIAL AMADODA

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I. INTRODUCTION

Care International (SD) requested Rise Management Consultancy Ltd to analyse the strengths, weakness and current state of affairs of the Swazi Commercial Amadoda (SCA), and make recommendations as to options for an appropriate, cost-effective plan of assistance.

The analysis was started by designing a detailed register of all operating SCA members. This register was used as a sample frame from which a random survey sample was drawn. The analysis and comments thereto are shown in Appendix 7. The conclusions from the survey data bear testimony to the real strenghts and weaknesses of the SCA.

The SCA was established in 1947 with all the elements of good and viable intentions. These intentions are well articulated in the subject, and provisions of the organization's constitution. Most importantly, the philosophy behind the founding of this organization was perceived by His Majesty King Sobhuza II. This fact, was sufficient to rally all small Swazi Nation Land traders towards giving their all, to support and bind themselves to it, as eager performers in the endeavour to have their trading interests/needs satisfied.

However, there has been little progress made in the implementation of the ideals of the architect of SCA, as a result of a variety of social, economic, and political factors which have constantly operated in conflict with the organizations original goals.

SUMMARY OF FINDINGS

- i) There is a strong need for relevant on-the-job training in business administration for S.C.A's small businessmen. Over 50% of the respondents believe that the reason for S.C.A's failure is that there is a general lack of management know how amongst their lot. Furthermore, the same percentage of respondents only have Primary School Certificates. It is pertinent, note that after many years of endless management workshops conducted by the Ministry of Commerce and Industry, members of the S.C.A. still believe they lack management training. It is therefore evident that the Ministry's training approaches or programmes are not effective or relevant to the practical operational needs of S.C.A. members.
- ii) It is also evident from the survey responses that the S.C.A. requires financial assistance to achieve the objective of improving the commercial performance of their member's business operations. The survey analysis showed that 55% of the respondents believe the failure of the S.C.A. over the years is due to the misappropriation of member's funds i.e. if no funds were disappearing, S.C.A. would probably be having no serious financial difficulties in executing its responsibilities to its members. Thus the real financial needs of the S.C.A. are towards meeting the costs of strengthening its organizational structures, employment of qualified manpower, and the implementation of an effective training program for all its members.
- iii) The survey responses show that 67% of the members sampled only have a vague idea regarding the overall goals and objectives of S.C.A. It is also significant to note that 62% of these responses came from members of the Executive Committee. It may, therefore be safely concluded that it does not necessarily follow that once a member has a copy of the constitution of the organization, he or she will then have a clear understanding of the objectives of the organization. What is needed is an effective and practical information system which will enhance clear definition and clear understanding of S.C.A's objectives by both the executive as well as the general members of the organization.
- iv) The majority of S.C.A's enterprises have a turnover of around E1,000.00/m (33%) a working capital requirement of between E500.00/m to E2,000.00/m (53%) (NB these responses have an element of bias toward understatement of income and overstatement of costs by small businessmen). It is evident that the required book-keeping training would not involve any sophistication to say the least. It would only involve basic practical training in filing of transaction documents for a few transactions per week/month and preparation of a simple cash book on a daily basis. Having worked on his own for some years, the small businessmen has experience/knowledge as to what and where to get his supplies. This knowledge need only be supplemented with knowledge as to when and how to buy to satisfy customer's needs and wants.

- v) Although the survey response by non-members of S.C.A. appeared to be biased towards looking at the S.C.A. as being the transport section, due to newspaper headlines at the time of the survey, the majority of them did express their faith in the future of an organized, properly structured, professionally manned S.C.A. and an S.C.A. that is run on purely legal and moral principles. One of the non-members interviewed believed that S.C.A. should be the Chamber of Commerce for small businesses in the Kingdom, if only it was administered or managed strictly on a professional footing.

3 S.C.A'S ORGANIZATIONAL PURPOSE

The Swazi Commercial Amadoda Council, hereinafter referred to as the S.C.A., was established by His Majesty King Sobhuza II in 1947. His organisational goal was to minimize the dominance by the white settlers of the country's commercial sector. When efforts to unite the Swazis and the settlers to share the common goal in trade and profits had come to naught, His Majesty established the S.C.A. empowered it with the following authority:

- 1) To organize and develop small businesses on Swazi Nation Land (SNL).
- 2) To grant exclusive rights to trade on SNL throughout the country.
- 3) To protect the rights and interests of the disadvantaged small businessmen trading on SNL.

His Majesty suggested that S.C.A. should form a common fund called "MGODZINGAMUNYE", the objective of which was;

- 1) To build a warehousing operation which would belong to S.C.A. members, buy direct from manufacturers, and then sell commodities at prices that could be afforded by even the poorest of the members.
- 2) To help finance those members who did not have initial capital or working capital.

4 S.C.A'S ORGANIZATIONAL STRUCTURE

At the helm of S.C.A's structure is His Majesty the King or his representative. All the buck in S.C.A's operations ends here. His offices are based at the Lozitha Royal Residence. Below the King's representative's position is the S.C.A's National Executive Committee headed by the National Chairman/President, and also includes the General Secretary, the National Treasurer and past President of S.C.A. who sit in as honorary executives. The offices of the National Executive Committee are based in Manzini, and are regarded as the Head Offices of the S.C.A.

The Head Office is responsible for Eleven (11) branch committees which represent the Council in the entire Kingdom. Each branch committee has a Chairman, Secretary and a Treasurer. Physical offices have not yet been built at the branch level, thus branch meetings are usually held at area Tinkhundlas or at the offices of the Regional Administrator or the District Council. The branch committee is responsible for enhancing or safeguarding the interests of the S.C.A's general membership.

When the National Executive Committee, the branch executive committees are in meeting and chaired by the King's representative, it is referred to as the Executive Committee. When the Executive Committee is in a general meeting with the entire S.C.A. membership, it is referred to as THE NATIONAL COUNCIL in-general-meeting.

See Appendix One.

5 COMPOSITION OF S.C.A'S MEMBERSHIP

Anyone who pays allegiance to an area chief, is willing to bind himself to the S.C.A Constitution, and understands Swazi laws and Trading rights is eligible to become a member. See Appendix Two.

6. S.C.A'S OPERATING METHODS

6.1 MEMBERS' REGISTER

There was no useful members' register available at the start of this assessment. The register used for the purposes of this study was only produced at the request of and as per design by the Consultant. The preparation of the Branch Registers took close to 9 weeks, and were still not presented completely to the letter of the Consultant's design.

6.2 BANKING

At the National or Headquarter's level, banking is done by the General Secretary's clerk whenever she receives subscription, joining or rental money from the branch executives. A current account is maintained with Barclays Bank of Manzini.

At branch level, branches maintain their current accounts with banks of their own choice, for income derived from individual branch projects.

6.3 BOOK-KEEPING

- a) Members' fees and contributions collected by branch officials is handed over to the Head quarter's (H.Q.) administrative clerk on a monthly basis. These amounts are well receipted but the total amount received does not balance with the amount banked.
- b) There is no cash book which records monthly income and expenditures, and which shows a monthly balance that reconciles with the balance of cash at the bank.
- c) The S.C.A. is yet to produce an audited financial report to its members. There has been no such statement since the organization was created, 40 years ago.
- d) Cheque withdrawals require two signatures from either the General Secretary, the National Treasurer or the Chairman of S.C.A.

6.4 COMMUNICATION

- a) Communication from the top to bottom is usually effected during monthly executive meetings at

Lozitha Royal Residence; then the branch executives pass the information on to the general members during the following branch meeting in their respective areas. From bottom to top, information is received from general membership by the branch committee and is passed on to the next monthly executive meeting for action.

N.B. Most information is not in writing, except for notices for emergency meetings, disciplinary action and application approvals and disapprovals.

- b) Announcements for Branch as well as National Executive meetings are normally done through Radio Broadcast.

6.5 ACCOUNTABILITY

The two branch committee members are not necessarily accountable to their branch chairperson, nor is the branch chairperson necessarily accountable to the National Executive Committee Chairperson. The members of S.C.A. are only accountable to the King or his representative individually, in the case of the general membership and plurally, in the case of the branch and National Executive Committees.

6.6. EXECUTIVE COMMITTEE MEETINGS

These meetings are held on a monthly basis, and provide the platform for:

- a) Settling of disputes between members.
- b) Considering and approving application forms for Trading licences.
- c) Attending to branch problems, suggestions and opinions and making resolutions or taking decisions on these.
- d) Setting out S.C.A. policies.

6.7 PROCESSING OF TRADING LICENCE APPLICATIONS

Application form is completed at branch level and then presented at the next National Executive Meeting for consideration. If disapproved, the applicant is informed, in writing, at the next branch meeting. If approved, the application form is handed over to the King's representative, who in turn present it to the King for His Majesty's personal signature. It is at this stage of the application process that there is no time frame. Some application forms have been approved by the Executive Committee, but are still awaiting His Majesty's signature for the past four years or so. According to the incumbent King's representative, the reason for this delay is that His Majesty King Sobhuza II suspended further signing

of S.C.A. applications because the S.C.A. had stepped out of line from the original conditions he had set regarding the administration of S.C.A's affairs i.e. the S.C.A. executive was only approving applications from their personal connections. The King's representative gave no indication as to when this supervision is to be lifted by His Majesty King Mswati III.

6.8 FUND-RAISING AT BRANCH LEVEL

Upon the realization that no financial assistance was forthcoming from the Executive Committee's national fund, the Manzini, Mbabane, Siteki and Hhohho branches decided to raise their own funds in order to assist their area's members. The following are projects undertaken at the initiative of the branch:

6.8.1 MBABANE

- i) Loan Fund: E4.00/m per member
Loans are extended for periods up to one year at 10% interest. The average loan amount to members to member is E500.00.
- ii) Building Fund : E100.00 per member.

6.8.2 MANZINI

- i) Building Fund : Joining fee - E50.00 with monthly contributions of E3.00/m.
- ii) Burial Fund : E20.00 joining fee and monthly contributions of E2.00/member.
- iii) Loan Fund: E2.00/m contribution per member.

6.8.3 HHOHHO

His Majesty handed over to the branch. Two shops and a filling station from a nationalized farm. Only one shop is in operation and is managed by the branch.

6.8.4 SITEKI

- i) Building Fund : E10.00/year per member.

N.B The branch committee has already purchased a E3,000.00 business plot from the fund, and plans are underway to get financial assistance for building a Town Hall which is also to house the branch offices.

6.8.4 SITEKI

ii) Loan Fund: To be started in March 1988.

All the branches require that each member contributes a sum of E2.00 per month to cover the branch executives travelling costs, national executive meetings. The branches which still do not have projects of their own at present, all claimed to be busy motivating and mobilizing their members towards starting such projects in the near future.

7. RELEVANCE OF S.C.A'S OPERATING METHODS TO TODAY'S REALITIES

The traditional lines upon which the running of S.C.A. is based has played a major part in the failure of S.C.A. to get off the ground economically, since it was created. The responsibilities the S.C.A. has to its members and the country's overall development are well articulated in the organisation's constitution as well as by its founders. However, the execution of these responsibilities by the Executive Committee is attempted without periodic planning, budgeting, accounting and controlling, monitoring or reporting procedures/systems. Thus, any potential Donor views the organization as a high investment risk. To quote from the telephone interview the writer had with the Minister of Commerce and Industry; "I would not even consider giving financial guarantees on behalf of the S.C.A., until they clean up their dirty linen and came up with clear ideas or plans regarding what they intend to do."

The fact that the S.C.A. branches are already going ahead with their own individual projects, which are based on individual branch plans and methods; makes the overall S.C.A. methods (if any) of operation barely capable of being consistent with one another.

8. EFFECTIVE RIGHTS AND OBLIGATIONS OF THE MEMBERSHIP TO THE S.C.A

- a) The membership is bound by the provisions and bye laws of the S.C.A. constitution.
- b) They have the right to appeal directly to the King, or his representative, against any action taken by the Executive Committee. The appeal should be lodged within fourteen (14) days of the written notice for such action, and must be copied to the General Secretary.
- c) Members must attend monthly branch meetings and the Annual General Meeting.
- d) Members must observe or execute instructions issued by the Executive Committee or the Council-in-general-meeting.
- e) Members may inspect the books and registers of the S.C.A by arrangement with the General Secretary.
- f) A simple majority in a branch general meeting may remove a branch Executive Committee member from office.

- g) The Council-in-general-meeting may confirm or reject Executive - Committee - appointed President of the Council by a simple majority.
- h) Members must pay a joining fee of E15.00; an annual subscription fee of E4.00 and a contribution towards transport expenses (for meetings) of E6.00/yr.
- i) Members have the right to trade on SNL licence via the authority of the Executive Committee.

9. EFFECTIVE RIGHTS OBLIGATIONS OF THE S.C.A. TO THE MEMBERSHIP

- a) The S.C.A. Council may impose a special levy not exceeding E25.00/member in any one year; through a three quarter's majority vote at a meeting specially convened for this purpose.
- b) The S.C.A. may acquire either by purchase, lease or otherwise suitable premises on which to conduct S.C.A.'s business.
- c) The S.C.A. may appoint Executive Committee, remove or determine the duties, salaries and remuneration of the Secretaries, Clerk, Agents or other servants of the Council.
- d) The S.C.A. may expel, suspend or impose a fine of up to E100.00 on members guilty of misconduct.
- e) The S.C.A. Council-in-general-meeting may remove a member of the Executive Committee from office via a three quarter's (3/4) majority.
- f) The Executive Committee has the right to deprive any member of the membership percentages if the member's annual subscriptions are still in arrears at the end of September in the year.

10. MAJOR S.C.A. ACCOMPLISHMENTS SINCE ITS CREATION

- i) The S.C.A. has processed, approved and persuaded the Regional Administration office of the government (or the District Commissioner office) to grant about 1,500 licences to small business owners to operate on SNL this number includes 268 groceries, 295 general dealers, 51 butcheries, 17 restaurants, 3 filling stations, 7 supermarkets, 3 chemists, 45 millers (maize), 778 hawkers and peddlars, 2 motor spares outlets, 2 construction companies, and 2 service garages (See appendix.....)
- ii) The members of the S.C.A. identify strongly with the organization mainly due to the fact that it was initiated and established by His Majesty. This factor has the desired effect of instilling a great sense of unity among the members of S.C.A.
- iii) The S.C.A. has accumulated assets in the form of property from which about E7,000.00 in Rent Income is generated

each month. (N.B. property on S.N.L. cannot be mortgaged). Furthermore, property development still remains a top priority in the minds of the S.C.A's executive today.

11. S.C.A'S MAJOR FAILINGS SINCE ITS CREATION

- i) There exists a general lack of administrative/management know-how in the S.C.A's leadership, and there seems to be no effective plan or effort to remedy this serious situation.
- ii) Both the members of the controlling Executive Committee as well as the S.C.A's general members are not fully committed to the aims and objectives of the organization; as provided by the adopted constitution. The executive members in particular, are more committed to their individual businesses than to the responsibilities placed upon them by the S.C.A.
- iii) Responsibility is placed upon members of the executive without the commensurate authority and accountability. For example, the right of members to appeal directly to the King, virtually removes any authority that the branch executives have over members trading in the area. This same right tends to strip the National Executive Committee of adequate authority over the branch executives.
- iv) The S.C.A. has not standardized its administrative procedures; thus the Head Office and the Branch Offices tend to handle their programs or problems in their own separate and inconsistent ways. That is, there are no standard dispute, discipline, accounting and controlling, monitoring and reporting procedures.

Excepts from interview with Prince Mkhathswa - the King's representative at S.C.A.

- v) "The member's fund was or is always placed in the hands of dishonest man who occupy the executive positions in the organization".
- / funds vi) "The executive members who have squandered member's/ have not been prosecuted due to the fact that they do not have anything in the form of personal assets, which could be confiscated and sold in the market place to repay the membership of their misappropriated funds."
- / against vii) "Executive members of the S.C.A. have always refused or voted/ the auditing of their scanty books of account or the monitoring of their day to day operations. They claim to report directly to the King and nobody else."

12. THE FUTURE ROLE OF S.C.A. AS PERCEIVED BY THE NON-MEMBERS

Most of the University academics, practising lawyers, employees of parastatal organisations and ordinary citizens interviewed lacked clarity with regards to the whole purpose of the S.C.A. This is understandable since the goals or objectives of the S.C.A. are not usually articulated in public and virtually no written

material exists on the S.C.A. Besides, as much as 67% of S.C.A's own members interviewed (see analysis of Survey Data), were themselves not quite clear about the objectives of their organization.

The general reaction of non-members was based on what they had recently read in newspapers regarding the internal wrangling within the S.C.A. power structure. Therefore, non-members perceptions of the future of the S.C.A. was drastically biased by recent newspaper reports regarding the problems with the transport section of S.C.A. One interesting and common comment from non-members was that the S.C.A. had no real future as long as it continued to be run by, "Blind men leading the blind." This expression was in reference to the inability of the S.C.A's executive and the general membership to manage their own existing businesses.

13. THE FUTURE ROLE OF THE S.C.A. AS PERCEIVED BY MEMBERS

As mentioned earlier in this report, the deep-rooted confidence in the future of the S.C.A. among its members is, to a great extent, based on the conviction that since it was initiated and established by His Majesty the King, then it certainly is organization intent on serving or satisfying and safeguarding their interests in SNL trade. To this effect, a resounding 100% of the members interviewed expressed their faith in the S.C.A. mainly because it is "The King's Organization."

The following are some of the perceptions on the future of S.C.A. as derived from the survey responses (See analysis of survey responses).

- i) Over 65% of the surveyed members believe that with effective management Training for executive as well as ordinary members; working together with full-time management professionals (27%); the S.C.A. would succeed in:
 - a) Developing small businesses on SNL (36%).
 - b) Bringing about cooperation among SNL small businesses (22%).
 - c) Protecting SNL businessmen's interests (16%).
 - d) Recommending and authorizing more SNL Trading licences (16%).
 - e) Providing business advice to S.C.A. members (8%). (See analysis of survey responses).

Most members expressed the belief that if the common warehousing project or fund suggested by His Majesty, could become reality, the standard of Commerce and trade on SNL could improve drastically.

14 COMMENTS ON SURVEY DATA ANALYSIS

1. All the members of S.C.A. surveyed were in striking consensus, as to the origin of the S.C.A. i.e. it is the King's organisation. However, the bulk of the respondents (67%) including members of the Executive Committee showed lack of clarity in their understanding of the objectives of S.C.A. This fact is also borne out by the low percentages of the members who were able to scratch their heads and come out with some idea about the objectives of S.C.A.
2. Almost 50% of the respondents have formal education only up to Primary School level, 24% up to Secondary level and 7% up to High School level. This reflects the highly significant need for effective management training for S.C.A. members.
3. The claim by 65% of the respondents that they employ Administrative and Accounting skills in the running of their operations only reflects the respondent's understating/belief that they already have gained such skills from the business workshops conducted by the officials from the Ministry of Commerce and Industry from time to time.
4. The fact that as much as 82% of the respondents are financing themselves from personal savings or cattle sales, is a clear indictment by the members that the S.C.A. is certainly not serving their financial needs.
5. Most of the respondents have been running their businesses for more than 5 years, with only 24% of them in operation for less than 5 years.
6. As high as 33% of the respondents have their businesses turning over E1,000.00/m or less. This gives a good indication of the average size of S.C.A.'s members business operations. The same indication is reflected by their monthly working capital requirements i.e. 53% need between E500.00 to E2,000.00 per month.
7. With 62% of respondents believing that S.C.A. has failed to serve their interests, it is interesting to note that more than 50% of the members believe that the reason for this failure is due mainly to:
 - a) Having unskilled office bearers (51%),
 - b) Lack of necessary financial resources (58%) and,
 - c) The misappropriation of members funds (55%).
8. Over 60% of the respondents believe that effective management training for Executive Committee members as well as ordinary members, and organizing the required finance would turn S.C.A. into a dynamic organisation.

15. FORMS OF COST-EFFECTIVE ASSISTANCE OPTIONS FOR SCA TO ACHIEVE ITS PURPOSE

15.1 OPTION 1

Contract an independent Consultant to perform the following duties:

- (a) Re-design the structure of the SCA such that it provides for:
- (i) a well-defined chain of command from ordinary member, to Branch Executive, to National Executive (Headquarters).
 - (ii) clearly defined line relationships between the members of each Branch Executive and between the members of the National Executive (H.Q.).
 - (iii) the assignment of clear and specific work tasks (or job descriptions) for each member of the Executive Committee; the timing of the completion of these tasks and specified reporting lines.
- (b) Design an accounting system that is simple enough to be understood by the less educated members, but still in line with modern management accounting principles as a management control tool. This system should involve systematic filing of SCA's documents, accurate recording of receipts and payments (Cash Book) and an acceptable banking procedure.
- (c) Implementing the above systems by:
- (i) starting from the Head Office and getting the current Administration Clerk fully utilized through basic training.

NB: At this stage, the system is manual and so simple that it can be handled by anyone who can add and subtract accurately and has some common sense.

- (ii) Once the H.Q. is in line with the system, the system must be introduced at all Branches as a standard process of record keeping. Should there be nobody amongst the Branch Executive capable of handling the system, any ordinary member who can, may be employed by the Branch/H.Q. and compensated accordingly, to do the job. At this stage, the H.Q. Clerk will be familiar enough with the system that he/she will be assisting the appointed Branch Clerk to master the system.

NB: The cost of the Consultancy at this stage should be still economical since he/she has had to spend only 2 hours/day with the H.Q. Clerk for just one month at a rate of about E25.00-E30.00 per hour plus expenses, for the Clerk to master the system.

When the H.Q. Clerk is on the swing with the system a month later, the Consultant does not have to spend as many hours with the H.Q. Clerk nor with the Branch Clerks either, since the H.Q. Clerk will be conducting some of the training sessions with the Branch Clerks.

NB: In order that this exercise is successful, the position of Clerk at both H.Q. and Branch level must be full-time and continuous.

(iii) The Branch Clerks having mastered the system may in turn impart their simple but managerially pertinent skills to their fellow ordinary members. At this implementation stage, the overall administration and Consultancy costs may increase due to increased travelling expenses and number of hours spent in training sessions, on-the-job, per day.

ADVANTAGES OF OPTION I

- (i) SCA is developing its own internal management trainers instead of relying on "hopeless" trainers from the Ministry.
- (ii) Members may easily be forced by the knowledgeable Branch Clerks to implement the system in their businesses if they hope to get any financial assistance.
- (iii) The system is standardized across the SCA's trading spectrum, and its design or alteration is controlled by the H.Q. structure.
- (iv) It is cost effective.
- (v) It allows for easy monitoring of the SCA members business cash flows.

DISADVANTAGES

- (i) Its implementation is time-consuming especially at the grass-root membership level.
- (ii) It is simplistic in that it does not reveal the financial performance of the business at any point in time.

IV. More and more sophistication in the system can be introduced in phases, with the regular use of the management Consultancy.

15.2 OPTION 2

Employment of a highly qualified full-time management professional at H.Q. to perform the same duties as the Consultant in Option I, but applying a total accounting system from filing up to Balance Sheet preparation, all at once.

ADVANTAGES

- (i) The professional employee will cost less than the Consultant in the longer term, especially when implementing the system at grassroot levels.
- (ii) This option would also derive the same advantages as Option I.

DISADVANTAGES

- (i) Capital costs would be high because SCA would have to purchase a new vehicle.
- (ii) The incumbent professional would not feel as pressurized as the Consultant to work according to time targets and to produce good results.

OPTION 3

Organize management workshops at SCA's H.Q. for periodical training sessions and hire a Consultant or employ a full-time professional to monitor the implementation of the knowledge gained at the Branch and grass-root levels.

ADVANTAGES

- (i) The training costs are lower at workshoping stage.
- (ii) The travelling costs are low during the training sessions i.e. members are trained as a group.

DISADVANTAGES

- (i) The travelling costs will be prohibitive during the monitoring stage.
- (ii) There is no guarantee that the "students" will implement the systems when they get back to their shops.
- (iii) Some or even most of the "students" may choose not to attend the "classes".

(iv) Option I and II may have to be implemented to remedy this situation, thus increasing the cost of the management training program.

COMMENT:

With regard to Option I and II, any potential SCA donor may be tempted to consider financing any SCA project due to the ability of SCA to effectively train, monitor, and control members in their day to day activities. This is not the case with Option 3.

15. RECOMMENDATIONS

15.1 RESTRUCTURING OF THE ORGANIZATION

In order to realize the goals it was set up to achieve, the foremost or critical financial assistance the S.C.A. needs is toward strengthening its organisational structural design, and the employment of full time professional personnel to provide advisory services to the line administrators of the organization. It is only after this critical need is satisfied that any operational financial assistance program may be entertained with minimum financial risk.

16.2. MANAGEMENT TRAINING

Any financial assistance to the S.C.A. would be meaningless if there is no commitment by the S.C.A.'s Executive Committee and the qualifying members to a compulsory management training program. In this regard, it is recommended that standard accounting and or management procedures be designed for each category of business activity or operation involving S.C.A. members. Conformity to these standards of record-keeping and reporting should be used as a condition to qualify for financial assistance. The incumbent or external professional advisors would then play a vital role in the training of the members, and their monitoring, to ensure this conformity.

16.3 UPGRADING OF COMMUNICATION METHODS

- i) An annual work plan, developed from branch level should be the basis upon which all S.C.A. activities are undertaken during the year. All members should be well informed about the work plan.
- ii) Since S.C.A. is a National Organization, a once or twice a week S.C.A. radio program would not only enlighten S.C.A. members but also the general public about the economic role of the S.C.A. in the country.

16.4. UPGRADING INFORMATION SYSTEM

- i) The S.C.A. must keep an updated member's register at all times, (Computerized if necessary) with all the relevant personnel and business details related to each member.
- ii) The Head office, aided by its branch offices should always have up to date information on S.C.A.'s income and expenditures relating to member's operations. This could be achieved through monthly/annual reports from each branch to the Head quarters, and from the Head office to the Council-in-general-meeting.

16.5. SUBJECT S.C.A.'s ACCOUNTS TO ANNUAL AUDIT

To minimize misappropriation of funds and enhance honesty among executive members of S.C.A., An annual audit of the organization financial statements should be made compulsory.

15.6 APPLICATION OF CONSTITUTIONAL CODE OF CONDUCT

The execution of the disciplinary and dispute procedures should apply firstly at branch level, then at National Executive level, and finally at the level of His Majesty's position.

N.B. It is important that responsibilities assigned to each management level must be accompanied by appropriate authority.

16.7 LIAISON WITH MINISTRY OF COMMERCE AND INDUSTRY

It is of great importance that the aims, objectives and plans of the S.C.A. are well articulated to the Minister of Commerce and Industry in order that his ministry has no doubts about the S.C.A's intentions and abilities to execute its small business development programs on SNL.

Once the Ministry gains confidence in the S.C.A's organizational capabilities; then S.C.A. should not experience difficulty in obtaining financial guarantees from the government when the S.C.A. needs to borrow money from private financial institutions to finance their major National projects.

16.8 GAIN CONFIDENCE OF ITS MEMBERS

The S.C.A. can only regain the confidence of its own members by implementing the suggestions and recommendations made above, and build the image of the organization around the original concept of the S.C.A. as initially perceived by its founders.

With the unreserved backing by the members, the S.C.A. would be capable of utilizing its constitutional rights which provide that the S.C.A. may impose a special levy not exceeding E25.00 per member in any one year, at any time, on members of the Council if three-fourths of the members present at a special General Meeting convened for this purpose, vote in favour thereof. With the current membership of about 1,500 this would enable S.C.A. to raise E36,000.00 per annum, apart from subscriptions, rental and joining income.

SWAZI COMMERCIAL AMADODA

A NATION'S ORGANISATION

FORM 1 B.....BRANCH

APPLICATION FORM

LIFOMU LOKUCELA UMSEBENTI

1. NAME OF APPLICANT.....
LIGAMA LESICELI.

2. FULL ADDRESS.....
LIKHELI NGALOKUGCWELE.

3. CHIEF OF AREA.....
SIKHULU SENDZAWO.

4. CHIEF'S ERAND.....
LINCUSA UMGIJIMI.

5. TYPE OF TRADE.....
LUHLOBO LWEMSEBENTI.

6. CAPITAL.....
SIBAYA.

7. SECURITY OF TRADE.....
IMBEMA NGITSEMBA YEMSEBENTI.

8. IF APPLICANT IS PARTNER GIVE NAMES AND ADDRESSES OF PARTNERS
UMA SICELI SINALABANYE ASISHO NEMAKHELI ABO.
.....
.....
.....

9. COPY OF AGREEMENT MUST BE ATTACHED TO THIS FORM
LENYE YETINCWADZI TESIVUMELWANO MAYITE NALELIFOMU.

10. ARE YOU SURE YOU UNDERSTAND SWAZI LAWS OF TRADING RIGHTS?
UQINISILE YINI KUTSI UYAWATI UMTSETFO WEKUSEBENTA KANGWANE?

YES.....NO.....
YEBO.....CHA

11. DO YOU ACCEPT THAT FAILING TO COMPLY WITH THE CONSTITUTION OF THIS
(SCA) WILL LEAD TO SUSPENSION OR CANCELLATION OF THE TRADING RIGHTS?
UYAVUMA YINI KUTSI KWEHLULEKA KWAKHO KUGCINA NOKUHLONIPHA LOMTSETFO
WELIBANDLA LA (SCA) UNGAMISWA NOMA UVALWE UMSEBENTI, WEMUKWE EMALUNGELO
AKHO NA?

YES.....NO.....
YEBO.....CHA.

SIGNING OF THIS FORM BY THE SECRETARY & CHAIRMAN OF THE DISTRICT
SHALL BE CONFIRMED BY THE MINUTES OF THE DISTRICT
UKUSAYINWA KWALELIFOMU NGUNOBHALA NO SHEMENI WESIGODZI KUYOSERELWA
NGEMAMINITSI EMHLANGANO WESIGODZI.

APPLICANT SIGNS HERE.....
OCELAYO USAYINA LAPHA

FOR OFFICE USE ONLY: RECOMMENDED OR REFUSED.....

KUBHALA LIHHOVISI KUPHELA: SEMUKELWE NOMA SALIWE

SIGNED BY:..... DATE.....
KUSAYINA CHAIRMAN USUKU

SIGNED..... DATE.....
KUSAYINA NOBHALA USUKU

APPENDIX 3

NO. OF OPERATING LICENCES BY TYPE OF BUSINESS

	SCA BRANCH	TOTAL	GROC.	ETENI GROC.	BUT.	RESTS.	F/STS.	S/MKTS	CHEM.	MILL.	PEDD & HAWKS	MOTOR SPS	CONS	GARAGE
I	MANZINI	336	38	24	5	2	-	1	1	-	265	-	-	-
II	MBABANE	147	47	45	-	1	-	-	-	2	52	-	-	-
III	HHOHHO	437	31	64	14	1	2	4	-	18	300	2	1	-
IV	SITEKI	109	41	40	5	4	1	-	2	-	14	-	1	1
V	NHLANGANO	102	34	22	9	8	-	-	-	5	24	-	-	-
VI	MANKAYANE	104	18	43	3	-	-	-	-	3	37	-	-	-
VII	HLUTI	14	6	5	1	-	-	-	-	-	2	-	-	-
VIII	HLATIKULU	61	17	6	2	1	-	1	-	-	34	-	-	-
IX	LUVE	88	14	12	5	-	-	-	-	9	48	-	-	-
X	SIPHOFANENI	33	17	11	3	-	-	1	-	-	1	-	-	-
XI	MANDLANGEMPHISI	42	5	23	4	-	-	-	-	8	1	-	-	1
	TOTAL	1,473	268	295	51	17	3	7	3	45	778	2	2	2

SOURCE: Members register drawn up for CARE study (Nov '88-Jan '89).

KEY

-	Groc.	-	Grocery	Sps.	-	Spares
-	Gen.	-	General Dealer	Cons.	-	Construction
-	Butch.	-	Butchery			
	Rest.	-	Restaurant			
	F/St.	-	Filling Station			
	S/Mark.	-	Super Market			
	Chem.	-	Chemists			
	Mill.	-	Milling			
	Ped & Haw-	-	Peddlers and Hawkers			

APPENDIX 4SCA's POTENTIAL INCOME GENERATION FROM WITHIN

Income from rented SCA property	= 7,000.00/m	= 84,000.00/y
From members annual subscriptions about 1500 members @ E4.00/y		= 6,000.00
From members joining fees (could not be estimated)		= -
From possible special levy : E25.00/y per member		= 37,500.00
From application fees (could not be estimated)		= <u>-</u>
	TOTAL	<u><u>E127,500.00</u></u>

APPENDIX 5SCA's CURRENT OVERHEAD

Wages	:	Administration Clerk	=	E250.00/m	=	E3,000.00/y
Allowances	:	Treasurer	=	E150.00/m	=	E1,800.00/y
		President	=	E200.00/m	=	E2,400.00/y
		Secretary	=	E150.00/m	=	E1,800.00/y
Telephone			=	E 75.00/m	=	E 900.00/y
Provident Fund			=	E 15.00/m	=	E 180.00/y
Stationery			=	E 50.00/m	=	E 600.00/y
Sundry	:	Advertising, transport, radio announcements	=	E 30.00/m	=	<u>E 360.00/y</u>
				TOTAL		<u><u>E11,040.00</u></u>

APPENDIX 6THE RANDOM SAMPLE FRAME - EXCLUDING HAWKERS AND PEDDLERS

	<u>AREA</u>	<u>NO. OF OPERATING MEMBERS</u>
1.	Manzini	71
2.	Nhlangano	78
3.	Mankayane	67
4.	Hlatikulu	27
5.	Hhohho (Ntfontjeni)	137
6.	Mandlangemphisi	41
7.	Luve	40
8.	Siteki	95
9.	Siphofaneni	32
10.	Mbabane	95
11.	Hluti	<u>12</u>
	TOTAL	<u><u>695</u></u>

SOURCE: Members registers drawn up for CARE Study (Nov '88-Jan '89).

NOTES: 1) Ordinary members (Respondents) for Survey Questionnaire numbered 50 i.e. 7% of the sample frame.

$$\frac{695}{50} = 13.9$$

Thus 2) Every consecutive fifteenth member from a randomly piled stack of members registers, was selected as a respondent. Selection was started from the first listed member in the register which was top-most
to on the pile; the last listed member in the register at the bottom of the pile.

3) Only 14 of the 50 sampled members could be positively traced i.e. 28% of the sample were interviewed.

4) All the 33 members of the Executive Committee were interviewed, except five who could not be traced during the study period.

Also interviewed were:

a) Prince Mkhathshwa - the King's Representative in the S.C.A. based at the Lozitha Royal Residence.

b) Mr. Nkomeni Ntiwane - Minister of Industry and Commerce - through the telephone.

- c) Mr. Sukumani - The General Secretary of the S.C.A. based at the S.C.A. Head Office in Manzini.
- d) Miss Dlamini - the S.C.A. Head Office Secretary.

5. To make the data from the survey questionnaire statistically significant, all responses from S.C.A. members interviewed were included in the final sample, which numbered 45 members of the organization i.e. 7%.

N.B. The 33 Executive Committee members represent all the 11 S.C.A. branches around Swaziland.

ANALYSIS OF SAMPLE QUESTIONNAIRE RESPONSES

The following analysis shows:

- a) The actual number of Interviewees who made the particular response to the particular aspect of the questionnaire and,
- b) The percentage of (a) above to the total number of respondents in the sample.

I	<u>OBJECTIVES AND DESCRIPTION OF S.C.A</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
a)	It is the King's organisation	45	100%
b)	To recommend issuing of Trade Licences	7	16%
c)	To provide finance to members	6	13%
d)	To protect S.N.L. Business interests	7	16%
e)	To unite Small Businessmen	10	22%
f)	To reduce/eliminate foreign monopolies in SNL Trade	2	5%
g)	To establish common warehousing facilities	1	2%
h)	To provide management training for members	1	2%
i)	To provide business advice	4	8%
j)	To develop small business in SNL	16	36%
k)	Not known/not clearly understood	30	67%
II	<u>MEMBERS' LEVEL OF EDUCATION</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
a)	Primary	20	44%
b)	Secondary	11	24%
c)	High School	3	7%
d)	College	8	17%
e)	University	2	5%
f)	None	1	2%

III	<u>AVAILABILITY OF MANAGEMENT SKILLS</u>		<u>NUMBER</u>	<u>PERCENTAGE</u>
	a)	Administration	15	33%
	b)	Accounts	14	32%
	c)	Technical/Other	1	2%
	d)	None	15	33%
IV	<u>SOURCES OF INITIAL CAPITAL</u>			
	a)	Personal Savings/Cattle Sales	37	82%
	b)	Loan (bank)	2	5%
	c)	Inheritance	2	5%
	d)	Loan (S.C.A.)	1	2%
V	<u>NO. OF YEARS IN OPERATION</u>			
	a)	0- 5 years	11	24%
	b)	6-10 years	5	11%
	c)	11-15 years	11	24%
	d)	16-20 years	7	16%
	e)	21-30 years	7	16%
	f)	31 years and over	2	5%
VI	<u>AVERAGE MONTHLY TURNOVER</u>			
	a)	500.00 - 1,000.00	15	33%
	b)	1,000.00 - 2,000.00	-	-
	c)	2,000.00 - 3,000.00	5	11%
	d)	3,000.00 - 4,000.00	4	9%
	e)	4,000.00 - 5,000.00	4	9%
	f)	5,000.00 - 6,000.00	1	2%
	g)	6,000.00 - 7,000.00	-	-
	h)	7,000.00 - 8,000.00	1	2%
	i)	8,000.00 - 9,000.00	2	5%
	j)	9,000.00 and over	2	5%

VII	<u>AV. MONTHLY WORKING CAPITAL</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
a)	500.00 - 2,000.00	24	53%
b)	2,000.00 - 3,000.00	5	11%
c)	3,000.00 - 4,000.00	4	7%
d)	4,000.00 - 5,000.00	2	5%
e)	5,000.00 - 6,000.00	4	9%
f)	6,000.00 - 7,000.00	-	-
g)	7,000.00 and over	7	16%
VIII	<u>REASONS FOR STARTING A BUSINESS</u>		
a)	To make a living	33	79%
b)	To serve community needs	25	62%
c)	Business inheritance	2	5%
d)	To utilize acquired skills	1	2%
IX	<u>WHETHER S.C.A. SERVES ITS PURPOSE</u>		
a)	Yes	10	23%
b)	No	28	62%
c)	Not sure	7	16%
X	<u>WHY S.C.A. HAS FAILED ITS PURPOSE</u>		
a)	Poor leadership	5	11%
b)	Unskilled office bearers	23	51%
c)	Lack of financial resources	26	58%
d)	Misappropriation of member's funds	25	55%
e)	Poor communication	-	-
f)	Poor cooperation from members	3	7%
g)	Bribery	-	-

XI	<u>WHAT SHOULD BE DONE</u>	<u>NUMBER</u>	<u>PERCENTAGE</u>
	a) Organise necessary finance	27	60%
	b) Provide management training for members	30	67%
	c) " " for Executive Committee	29	64%
	d) Employ full-time professionals	12	27%
	e) Must have full authority over trade in SNL	4	9%
	f) Prosecute corrupt committee members	4	9%
	g) Promote or instill cooperation amongst members	11	24%
	h) Prevent/Eliminate "Fronting" by members	1	2%
XII	<u>NO. OF YEARS IN OFFICE</u>		
	a) 1-3 years	9	20%
	b) 3-6 years	10	23%
	c) 6-9 years	5	11%
	d) 10 years and over	7	16%