

New Age, Maverick Thinking



Sello Phakoe and Tshepo Dijana, Co-managing Executives of New Age Holdings

While start-up businesses have a pretty poor success rate in South Africa, one company that has not just bucked the trend, but has done so in recessionary times, is information technology (IT) solution provider New Age Holdings (NAH). As if being a black-owned and black-managed IT company isn't an achievement in itself, the owners are determined to have the company act as a springboard for other talented and entrepreneurial youngsters.

Five years ago, school friends Tshepo Judge Dijana and Sello Phakoe started an IT business which they called New Age Holdings. As an IT solution provider they intended to provide a commercially viable platform for innovative technology developments without compromising on quality service delivery. "By doing so, we believe we're heralding a new age, hence our company name," says Dijana, co-managing executive of NAH. "Our aim then was, as it is now, to provide

the misperception that black-owned and -managed companies are only good enough to service government, and not the private sector. We are doing our utmost to counter that perception with consistent, excellent service," says Phakoe.

NAH's key clients include the State Information Technology Agency, the Gauteng Shared Services Centre (GSSC), and cellular network operator MTN. "MTN has been critical in the success of our

"Our aim is to provide simple solutions to complex technological problems by investing in technology that not only bridges the digital, but also the commercial, divide." – Sello Phakoe

simple solutions to complex technological problems by investing in technology that not only bridges the digital, but also the commercial, divide," explains Phakoe, co-managing executive of NAH. By this he means that the company is providing IT services that are cost-effective and user-friendly, sensitive to the diverse needs of the local population, yet still comparative to international standards without compromising on quality.

"The fast-growing technology industry and the effect that the Internet had has on the global village is evidence of the urgent need to provide services that will see even the most disadvantaged of communities gaining access to state-of-the-art technology at competitive, if not rock-bottom, prices," maintains Dijana.

Better than BEE

NAH started life as an IT security company, says Phakoe. "Today, this operation, which provides Internet security and policy management and biometric services, is still core to our business. We now also provide a cost-effective Voice Over Internet Protocol (VOIP) and telecommunications services, which were particularly successful last year given the economic recession." And NAH is also a reseller for Dell, Hewlett-Packard and Lenovo business hardware. Dijana and Phakoe have targeted both the private and public sector in their business dealings. "As an SME [small- to medium-sized enterprise], not only do we compete with the bigger, more established IT companies, but we often find ourselves having to counter

business. We have to give them credit, because it is certainly due to them. They have done a significant amount of work to empower black businesses like ourselves," notes Dijana.

As for future projects, he declines to comment, noting that we should "watch this space" for some announcements in the near future.

Funding ideas

Regarding to their goals for the coming year, Phakoe indicates that when they launched the company they were intent on providing young black entrepreneurs with a platform for self-development. "Our role model in this regard is Ricardo Semler, whose book *Maverick* was seminal for us. His philosophy boils down to hiring talented young individuals and then giving them

New Age Holdings' Core Business

New Age Holdings is currently focusing its investments in the following strata of business:

- VOIP and telecommunications services
- Internet security and policy management
- Traffic management systems
- Point-of-sale solutions
- Biometric services
- GSM and GPRS asset tracking and management solutions
- IT hardware and software

'private time' during work hours to develop their projects on company resources. At a point when that a project is on the brink of commercialisation, we provide finance or take a stake in the business, and mentor the individual through the business launch process,"

New Age Objectives

New Age Holdings is committed to providing service that is:

- Sensitive to the diverse needs of South Africa's population
- Understanding of the economic profile of the country and the continent
- Of comparative international standards with no compromise on quality
- Cost-effective and user-friendly
- Easily maintainable and accessible
- Friendly to learnerships and broad-based empowerment
- Economically viable

elaborates Dijana. "After all, we know what it's like to not have access to mentorship or financing. It's pretty tough out there and it doesn't help when no bank manager will talk to you," he remarks. Phakoe points out that they are still in the process of building their capital for this development programme. "It is a long-term strategy, and to date we've only helped launch one employee's business – a courier company – but we are encouraged by the interest shown in the programme. Essentially we are self-funding in this regard. We put aside a portion of our profits for it, but we are promoting the platform through our hard work," he says. "One of South Africa's biggest challenges is that we are predominantly a consumer and a primary market and not that concerned with innovation or beneficiation. Yet the ideas are there, they're just not funded," laments Dijana.

As for business opportunities in 2011, they note that while IT budgets have flattened in the private sector, government



IT spend seems to have maintained its momentum. Other challenges also exist: late payments and the imminent toll road fees in Gauteng, which are perhaps felt more keenly by a small business like NAH. "As to when the recession will subside, we have been gathering mixed data. South Africa is not a developed market, nor is it a developing market, and perhaps this status is a blessing for us. We hope it will be business as usual, and intend to grow our market share for all our operations, particularly our telecoms business. The launch of the iPad has also changed the hardware landscape dramatically, and we hope to continue to see much activity in the tablet space," concludes Phakoe. □