

■ SA'S SECOND-MOST EMPOWERED COMPANY

It's WHAT THEY DO and who THEY ARE

Kevin Sutherland



Richard Pike Real
about empowerment

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Adcorp

Sector: Services

Revenue: R4,8bn; Total BEE score: 88,05;
Ownership score: 22; Pref proc: 20

Human capital firm Adcorp has maintained its strong empowerment rankings despite ugly corporate politics and racial slurs that threatened to damage its moral standing.

Adcorp was pushed into a public relations nightmare late last year when some members of staff alleged fraud and racism against the com-

pany's leadership. Adcorp's BEE credentials came under the spotlight. The group has been named the most empowered entity on the JSE under the *FM's Top Empowerment Companies (TEC)* survey, two years in a row – in 2008 and 2009.

In the 2010 *TEC* rankings, Adcorp has been toppled by Sekunjalo, but the group maintains a high black economic empowerment (BEE) contributing status. It is the second-most empowered entity on the JSE, with a total BEE score of 88%.

CEO Richard Pike says empowerment is "a real part of who we are and what we do, we have incorporated it into every part of our business".

Since the 2007 deal, which facilitated a transfer of a 25,1% holding to employees, Wiphold and Simeka, Adcorp's empowerment status has soared. Today, Adcorp's overall black shareholding sits at 33%, with direct black women ownership at 9%.

The company still lags its competitor, Kelly, on skills development, but it managed to score full marks for enterprise development as well as corporate social investment or socioeconomic development. For its religious use of empowered suppliers and sourcing of services from such entities, Adcorp snatched the maximum 20 points in the preferential procurement element.

Adcorp continues to rule the services industry, which includes Kelly and Merrick Abel's Prime-serv. Both of these players, which also compete with Adcorp in the multibillion rand staffing sector, have maintained their strong BEE credentials, resulting in their repeat appearance in the Top 20 of this year's *TEC*.

Adcorp's walk to empowerment has certainly not been the easiest. A look at Pike's life story of determination suggests a strong correlation. Pike, a chartered accountant (CA) who aspired to be a Springbok in his teens, may be a curious mixture of nonchalance and exuberance but he doesn't take his eyes off the ball.

He has continued to deliver good numbers for his investor base, which includes Louisa Mojela's Wiphold and Robinson Ramaite's Simeka. Mojela and Ramaite, who also chairs the transformation committee, sit on the board as nonexecutive.

The company has also recruited Amanda Albäck, a young CA who is active in the women and youth empowerment arena. But she and Mojela aren't the only women in the Adcorp boardroom. In contrast, this 10-person directorate has an equal number of women and men, with a 60% black representation.

Despite the economic downturn, Adcorp managed to extend its winning streak. In the latest reporting period, profits leapt 13% to R144m as a result of a 9% rise in revenues to R4,8bn. In the past 12 months, Adcorp stocks have steamed ahead more than 60% to trade at about R27/share on the JSE. Of course, this is still way off the R43/share it changed hands at in 2007.

Shoks Mzolo