

MFSA retrenchments 'won't affect' Loeries

Sixteen staff will be retrenched from the Marketing Federation of SA nationally, in the final restructuring phase of the organization, said Mpho Makwana, Chief Executive of the mfsa, today Friday. Makwana has assured the industry that the Loeries Festival taking place 1 - 3 October 2004 at Sun City, will not be affected.



By [Louise Marsland](#) 9 Sep 2004

Makwana announced on Thursday that the Board had passed a resolution approving structural changes to the organisation and mandating him in his capacity as CE to make them. The Board's resolution was based on financial projections and was "a business and operational imperative to ensure the mfsa's future as a professional association", the mfsa said in a statement.

As the Chief Executive appointed to steer the merger process of the mfsa, including financial restructuring Makwana has the unenviable job of reducing the staff complement by 16, from 36 to 20.

In an interview with Bizcommunity.com Friday, Makwana emphasized that the retrenchments were a necessary part of the restructuring process which began with the creation of the mfsa to unite the industry, and was concluded with the sale of the IMM School of Marketing, which accounted for 55% of the mfsa's revenue stream.

"The context is indeed that there is no merger that goes on without teething problems. This merger's teething problems were exacerbated by the fact that the Board of the mfsa felt that they wanted a Chief Executive to be appointed to steer the ship during this transformation."

Makwana, who was appointed just over a year ago, said there were a lot of changes to make in the past year to ensure that in 2005, the mfsa was no longer dealing with post-merger issues.

"The Board authorized the reduction of the salary bill end-August. The mfsa was bloated at the time of the merger, but a decision was taken not to do anything drastic until the restructuring process was complete. Now that we have all the statutory information (audited financial statements to make decisions on) we can proceed.

Loeries Festival: business as usual

In response to murmurings in the industry about Loerie and the new Loeries Festival which goes beyond traditional advertising awards to include the rest of the Creative Industries and the marketing fraternity, Makwana said: "Loeries will continue to happen as it is planned in the new Loeries Festival format - the outcry comes from a certain sector of the industry that is used to the way Loeries has always been run. I want to assure the marketing communications industry and business members, that the Loeries are safe and will happen as planned. The new festival in fact eliminates fragmentation and brings the entire industry together. From the bookings at Sun City, we estimate that we will have about 2000 people attending the Loeries Festival."

The mfsa was created in October 2002 after the merger of the IMM, the ASOM and the DMA. When he took up his appointment as the first CEO, Makwana faced the challenges that come with such mergers. His

mandate was to bring together three very different corporate cultures and create a federation that would serve as an effective voice for marketing in South Africa.

The sale of the IMM school was a compliance issue, said Makwana, as the mfsa "can't be referee and play at the same time", meaning that it couldn't be an education provider and endorse marketing content at other universities at the same time.

Makwana explained further: "It has been an arduous journey in many ways, partly because of the difficult financial decisions that were necessary to ensure the new federation's future. Balancing combined assets and liabilities, as well as the day-to-day running costs of the Federation has resulted in the Board's decision to restructure and cut costs at head office in Johannesburg."

At this stage, it is likely that mfsa representation in KwaZulu-Natal and Pretoria will also be affected. The CE has already initiated consultation with these offices to discuss restructuring and member services in these regions. The Cape Town office will be restructured to enable it to be a hub for policy lobbying on marketing issues for mfsa members, the mfsa statement read.

Restructuring to be completed by December

The CE and Board will do everything to support staff and assist those affected by the cuts to obtain other employment and they expect the restructuring process to be completed by mid-December, Makwana said.

Makwana and the Board want members to understand that services will not be affected by the changes. Membership support is central to the mfsa's existence and the Federation will ensure that member initiatives and events, newsletters, advisory and other services will continue as usual.

"The decision to restructure and the resultant staff cuts are difficult for everyone. However, I am convinced that a leaner mfsa will be better able to serve our members and become a true marketing thought leader," Makwana concluded.

He also said the mfsa was on track with its transformation initiative through the BEE Monitor research project and that he would be presenting "the state of the industry" as it pertains to transformation at the Loeries Festival, as well as reporting back to the parliamentary portfolio committee on communications on 25 September 2004.

For more information: www.mfsa.co.za ; www.beemonitor.co.za.

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