



EDUCATION

Unlocking the potential of future leaders

For 16 years, Eduloan has been making finance available to those unable to afford the cost of tertiary studies. *New Agenda* caught up with CEO Totsie Memela-Khambula to find out her vision for education in South Africa.

When did you take over as Eduloan CEO?

In October 2010.

What is the role of Eduloan within the education sector?

Our role is to unlock potential in the people of South Africa by providing access to finance for those who cannot afford it. We do this by partnering with funders who are willing to contribute to education, while we manage the risk and provide shareholder value. We also help students manage their funds through our card product called Eduxtra, which has a number of pockets (books, food, cash, accommodation, etc.), and thereby assists them with financial management.

What is your vision for education in South Africa?

Our vision is to consolidate both funders and bursars into one

integrated platform with the use of technology. Students are often overwhelmed when considering who they should approach for bursaries and who they should approach for a loan. In this way, we want to provide them with a one-stop shop for study finance and bursaries. We believe enhanced public-private partnerships is the best way to complement each other's competencies. Our vision is therefore to work together to create better education for all.

What were your personal struggles in educating yourself?

I was born into a family of nine. My mother was a domestic worker and my father was a clerk at the Johannesburg Stock Exchange. There were many mouths to feed and not enough money to go around. My mother often said that education was our ticket out of

poverty. During the time of Bantu Education, she transferred us from a state school to a Roman Catholic School in order to improve our chances at a better education. Later, when I lived in Swaziland and Zimbabwe, I finished my tertiary studies thanks to bursaries made available to students in political exile.

Who would typically take out a study loan with Eduloan and how does repayment work?

Our current base of clients are those who are neither rich enough to qualify for a bank loan nor poor enough to qualify for a government bursary. The bulk of the students and their children that we have funded over the years include the police and security forces, including members of the military, teachers, doctors and nurses. When a parent approaches us for

funding for their child, they are required to pay the loan back over a period of 10 to 22 months. Repayment starts immediately in the form of salary deductions. We never deduct more than 25% of a person's monthly salary.

Who are some of your funders?

Our funders include Standard Bank, Future Growth and PIC. Our shareholders are Standard Bank, Circle Capital, Sasfin and Kopane/Old Mutual.

What are some of the biggest challenges facing students today?

The key challenges facing our youth are unemployment and access to education. According to the Status of the Youth Report 2003 commissioned by the Umsobomvu Youth Fund, 70% of our youth are unemployed, the most affected being people of colour. This is an extremely dangerous situation, given that black people comprise 85% of our population. To quote Zwelinzima Vavi, 'This is a ticking time bomb.' Even for those young people who are fortunate enough to have a degree or diploma, many are still ill prepared to enter the job market and there are insufficient jobs to absorb all of them into the formal economy.

What are the most important decisions you have made at the helm of Eduloan?

Since taking over as CEO, I have redefined who we are and why we do what we do. I have challenged our past measurement of success with the shareholders and the executive management team. In addition, I have reviewed both our leadership and management competencies to see if we can indeed deliver on the strategic intent based on the skills we have. This has demanded that we also review our organisational culture in order to refocus for the benefit of our customers and move our company from good to great. This has resulted in our changing people's roles and responsibilities. It has been difficult for some employees who for the first time have had to confront the reality that they have gaps which need to be closed through fast-tracked development programmes. In some cases we have had to let people go. That said, we are still nowhere near close to completing our exciting business transformation journey.

What characteristic do you believe every leader should possess?

Self-awareness and self-management. You should know who you are – your capabilities as well as your blind spots. You should surround yourself with people who are different from you and smarter than you. This principle I was taught in my underground military days: in order to be a great commander, you have to surround yourself with good lieutenants. I believe in commitment, having a passion for what you do and working hard, and competence, which involves constantly growing your knowledge and skills. I'm happy knowing that I don't know it all and that it's the people I work with who will take Eduloan to the next level. As a leader it's important not to become arrogant; we need each individual to contribute to the overall organisational goals.

Eduloan is South Africa's premier education fund provider, bridging the gap between employers and South Africans who want to further their studies. Through partnerships forged with government, corporates and South Africa's tertiary education institution, we offer tailor-made and affordable loan agreements to its students. Eduloan is focused on empowering South Africans through learning, thus helping to build a globally competitive nation by creating access to further education. Eduloan has provided over 2.8 billion rand in educational loans to over 600,000 tertiary students over the past 16 years.

Through the management and dispersion of study loans, supported by a unique educational fund management programme, Eduloan ensures that the provision of funds for education is efficiently and successfully managed. Eduloan improves people's lives through financial access to education.

For more information, call Eduloan's Client Services Department on 0860-55-55-44 or visit www.eduloan.co.za.



Ms Memela-Khambula