



THE KATOTA BUSINESS CASE

Resource Mobilization Incorporated (RMI) is the nucleus of the KATOTA philosophy. The KATOTA way of doing business is expressed by the Development Program managed by the Katota Development Foundations, the Information Program managed by the Information Foundations and the Finance Program managed by the Finance Foundations.

GENERIC VERSION

KATOTA VALUE PROPOSITION

KEY BENEFITS FOR JOINING AN AFRICA-FOCUSSED, DEMOCRATICALLY MANAGED DEVELOPMENT PROGRAMME

- A shared vision for economic and human development
- A Critical mass of resources that provides:
 - Access to new markets, customers and channels
 - Access to capital
 - Significantly reduced business risks
 - An Intelligent Procurement platform to trade preferentially with other KATOTA members and global exposure to untapped markets
 - Leading-edge value management approach and supporting technology
 - Customised decision support for effectiveness and efficiency
 - Performance & Profit Improvement Proposals for proactive remedies
 - All Economic Empowerment leading to:
 - New sustainable job opportunities
 - Generation and distribution of wealth at grassroots level
 - Joint Ownership and democratic management
 - Peace of mind due to continuous business intelligence
 - Personal fulfilment of seeing how communities benefit
 - Access to funding for growth, creating more wealth and more jobs for more people

KEY BENEFITS FOR INVESTORS

- Sound investments into sustainable democratically managed companies
- Ample collateral available to secure all investments made
- Direct investments into economic, social and human development
- Reaching predetermined and verifiable development goals

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1 EXECUTIVE SUMMARY

Resource Mobilization Inc. (RMI) is the Nucleus of the KATOTA PROGRAMME and is incorporated in the British Virgin Islands (BVI). KATOTA is a philosophy that drives three Programmes, each with a unique mission. Their collective aim is to recruit companies which are democratically managed as a launching pad to create a better life for all.

KATOTA is an Africa-focused, holistic programme with a dedicated mission to change the destiny of Africa through encouragement of the establishment of KATOTA in each of the three foundational programmes; being Development, Information and Finance Programs managed on cooperative principles.

KATOTA Program can be explained as follows:

In the KATOTA DEVELOPMENT PROGRAM, a Katota is a consolidation of existing and new businesses along industrial lines into strong and viable democratically managed business.

In the KATOTA FINANCE PROGRAM, a Katota is a consolidation and democratically managed venture capital company focused on procuring and providing venture capital to all three Katota Programs.

In the KATOTA INFORMATION PROGRAM, a Katota is a consolidated and democratically managed entity focused on Research, Development and provision of sound business information to promote and sustain all three Katota programs.

KATOTA Programme is a vibrant organism. An organism is any contiguous living system. The Law of Contiguity states that things which occur in proximity to each other in time or space, although completely independent, are readily associated. The philosophy of KATOTA makes it a remarkably dynamic organism.

Like any living organism, KATOTA is able to: (i) respond to stimuli, (ii) reproduce, (iii) grow, (iv) develop, and (v) maintain homeostasis as a stable whole. For KATOTA, homeostasis is possible because it is capable of continuous multiple dynamic adjustments through its regulative mechanisms described in this, and other relevant documents.

An organism comprises cells which are the *basic structural and functional unit* of organisms. Cells exist as independent units of life. They are the smallest structural unit of an organism that is capable of independent functioning. RMI, as the nucleus, forms the centre around which other cells are gathered or grouped. The term "nucleus" is used here rather loosely, to mean simply the centre of an identifiably, distinct group of independent entities. For KATOTA, the *basic structural and functional units* are democratically managed entities like co-operatives, where enterprises or individuals are the members, representing the cells of an organism.

A KATOTA is a normal business owned by its investors and the community it serves. Its members are the community it serves. There are different levels of involvement in the KATOTA Programme – from global foundations to grassroots entities - but the one is not a subsidiary of the other. The latter are categorised into industry groups according to the goods and services they offer their markets. For this categorisation, the United Nation's International Standard Industrial Classification of all Economic Activity (ISIC) is followed. At each level, KATOTA could be described as a cooperative of dedicated entities, each with a specific function in a unique hierarchal structure, resembling an organism.

The KATOTA Programme is structured into democratically managed entities, each with its own dedicated and unique Programme. Resource Mobilization Inc. is at the centre; the Nucleus of the Program. RMI is called the Nucleus of KATOTA because it is the owner of the Global Foundations. The Global Foundations are joint owners together with the respective Sponsors of the ever expanding Central Companies including Global Pillars. The Central Companies including the Global Pillars are class "B" shareholders of RMI. RMI is

therefore jointly owned by the initiators of the Katota Program in terms of its class A shares, and the Global Pillars and the ever-expanding Central Companies, who are the class B shareholders. This is the community RMI serves. Resource Mobilization Inc. in its capacity as the Nucleus of the Katota program is the initiator of all KATOTA Programmes. RMI also initiates the issuing of Licenses and Mandates, which are then issued and sold on; using the same principle applying between a franchisor and its franchisees. It works from Global and Central KATOTAS to Territory KATOTAS. There is no limit to the number of KATOTA licenses and mandates that can be issued as long as communities in need can be identified and Programmes could be developed in accordance with the KATOTA Philosophy. All other activities in the KATOTA Programme are performed by licensed KATOTAS who are participating in the KATOTA Programme.

There are licenses for Global Foundations, Global Pillars, and also on a global level, Central Finance Companies, Centre Development Companies, Central Information Companies. On a national level, there are Licenses for Pillars, Industry Unions (according to the Industry Types in the ISIC) and Project Companies.

Rights and conditions for involvement with KATOTA are regulated from the Nuclei and each cell functions as an independent unit. No KATOTA is a subject of the other; members perform their individual functions in the KATOTA Programme, true to their core mission, irrespective of size.

Projects are grouped into their general industry group according to the International Standard Industrial Classification of all Economic Activities, originated by the United Nations. KATOTA acts as consolidators of existing Companies and associations reminiscent to cooperatives in order to give them the critical mass needed to acquire the best resources for success through economies of scale.

A KATOTA is democratically managed through class A and B shareholders. A juristic person (normally a propriety limited company) is a KATOTA when it has at least seven *selected* directors (fulfilling an advisory function). A further seven directors are *elected* from the Class B shareholders (fulfilling an executive function). A minimum of two project company KATOTAS form an Industry Union and a minimum of two KATOTA Industry Unions form a KATOTA Pillar. An Industry Union (KATOTA) does not have to hold equity in its members, but its members must hold class B shares in the Industry Union. Initiators of KATOTA fulfil a sponsorship role, being stewards, to ensure the success of the KATOTA in which they also hold class A shares and are, appropriately called Sponsors.

In order to participate in any KATOTA Programme, accreditation is required by successfully completing the Curriculum of Excellence (referred to below). In order to preserve the KATOTA philosophy and culture, it is imperative that all sponsors and members maintain their accreditation by annual refresher courses in order to keep up with the dynamics of KATOTA, failing which could deprive them from making business decisions within the KATOTA concerned.

Any person could join the KATOTA Programme today by participating at any level and industry of choice subject to accreditation.

Please consult any KATOTA in your territory and get started today, or visit www.mysunshineid.com to register and join the program.

Truly, this is the most comprehensive and intensive development programme ever announced.
All Economic Empowerment in Practice

2 INTRODUCTION

In order to create a better life for all, KATOTA follows a holistic (full) value-chain management approach that includes the integration of people and communities. The goal is to consolidate profitable businesses, consequently stimulating the creation of job opportunities and the establishment of sustainable livelihoods.

Creating economic wealth for people (on a capitalist platform) is a key ingredient for creating a better life for all. The KATOTA structure is contrary to the philosophy that dictates the self-enriching of a few to the disadvantage of the many, as is prevalent in unbridled pure capitalism. In contrast, the KATOTA philosophy in terms of financial wellbeing, embraces the notion of “All Economic Empowerment”. Any person with a will to succeed can do so on a Katota platform.

2.1 THE PURPOSE OF THIS BUSINESS CASE

This document captures the knowledge the founders of KATOTA, developed over many years, in terms of how the configuration of the structure could best serve the funding model, and the philosophy of All Economic Empowerment. It also provides a consistent message of development to many different audiences, satisfying both the funders and the operators (satisfying different types of KATOTAS).

This is a high level view of the entire KATOTA Programme and enables all stakeholders (and prospective stakeholders) to be knowledgeable about this comprehensive and intensive Africa-focused development programme. This document endeavours to capture both the quantifiable and qualitative characteristics of the KATOTA structure and its funding model.

2.2 PROJECT DESCRIPTION

In order not to duplicate, it is important to read the Blueprint (www.katota.com) and its supporting documents, referred to in paragraph 3, GENERAL INFORMATION. For the hitherto uninformed, the following three paragraphs serve as a brief summary.

2.2.1 The essence of the Business

Africa's time for effective development has come, but it needs the developed world to serve as a catalyst. Due to decades of squandered opportunities and wasted resources, Africa is fighting widespread Africa Pessimism, as well as mistrust among African Nations themselves..

The KATOTA Programme addresses these inhibiting factors in such a way that African businesses could take their rightful place amongst the nations with pride, and as a result could justify its claim to be a worthy trade partner – based on proven and transparent (verifiable) merit. Due to technological advances within KATOTA, enterprises will be the first to benefit from this innovative Collaborative Synchronous Trade Portal.

2.2.2 Goals/Scope

The KATOTA Programme addresses the multitude of challenges holistically. Every action has human development as the underlying motivation because it is only through human development that nations can develop.

On the economic front, KATOTA Programmes supply business organisations with the tools to be adequately capitalised and assist them to be more effective, efficient, profitable, and, therefore, sustainable – stimulating growth, which creates more job opportunities, generating wealth over a wider scope of the population – community by community until such time the whole nation is permeated.

On the social front, plans are in place to assist those who can fend for themselves. Special plans are in place to help those who think they are helpless, to do more than they thought possible. No living human being is entirely helpless.

On the political front, Katota Programmes assist in good governance by encouraging transparency and accountability leading to restitution in order to nurture democratic practices that benefit all because of proper political education which will also reduce undemocratic politicians strife.

The above goals, and scope of activities, should be taken literally. It's backed by decades of research and development, recorded in thousands of computer files that, if applied properly, will turn Africa around.

Dynamic development programmes for each industry (as categorised by the United Nations' International Standard Industrial Classification of All Economic Activities) have been developed, tested and applied across a multitude of industries and government departments.

The KATOTA Development Programme complies with five vital ingredients for success:

- ✓ Unique methodologies (based on sound academic research);
- ✓ Supported by cutting edge technology (for cost effectiveness);
- ✓ Driven by a dynamic strategy (for swift voluntary acceptance by all);

- ✓ Activated by passionate people;
- ✓ Who are adequately funded.

2.2.3 Risks/Issues

The known business risks associated with traditional co-operatives have been adequately mitigated by the Katota structure. The known risks of SMME's causing such a high failing rate have also been adequately reduced in the Katota structure.

Risks in Katota mainly revolve around human failure. The supporting documents specifically address these issues, albeit in a concise manner. In summary, all people wishing to be involved with KATOTA, in any manner, will have to be accredited and then licensed. In order to reach this highly desirable status, they have to pass the KATOTA Curriculum of Excellence, explained in more detail in the supporting document dealing with the KATOTA Model.

In order to mitigate the risk of undercapitalisation (one of the main reasons for failure of small to medium businesses) all KATOTA, after accreditation, are authorised to use Program resources for which they are mandated in order to raise the capital required. The structure of KATOTA simply reduces the risk of failure to redeem any debt or financial instruments to a negligible level.

KATOTA as a Programme is not limited to any one industry, service, sector or jurisdiction. KATOTA in one country is never a subsidiary of another KATOTA in any other country. However, all subscribe to the same development programme via their foundations.

Should a Program fail or a foundation dissolve, the foundation's assets and liability will be transferred to its counterpart foundation at global level, for use or the benefit of KATOTA Program. Should there be no KATOTA global foundation at all to take over, then the assets will transfer to Resource Mobilization Inc., the central managers of the KATOTA Programme.

3 GENERAL INFORMATION

For some people the KATOTA Programme seems complex. KATOTA is simply democratically managed entities. In order to comprehend the underlying intricacies, it is essential to peruse the relevant document that deals with specific topics. They are available at www.katota.com (continuously under construction) and all of them are essential reading material as the one explains the other.

The main document, The KATOTA Blueprint, is supported by various documents, each dealing with more detail on KATOTA from a different angle. The KATOTA forum facility, available on the KATOTA website, could be used to ask questions for clarification.

All documents available on the website are continuously adapted, from time to time, in order to capture and reflect the prevalently high level of dynamics of KATOTA, and the environment within which it operates. Consequently, they must always be viewed as work-in-progress.

3.1 THE POINT OF DEPARTURE FOR THIS DOCUMENT

All the headings and sub-headings usually covered in a standard Business Case will not be addressed in this document, as it will duplicate the information contained in the other documents referred to above. In summary:

3.1.1 Background / Current State

KATOTA originated by design, but accelerated by default when Resource Mobilization Inc. entered into an agreement to provide several services to the Coalition of Supporters Union of Africa (COSUA) in response to a request from the African Union to assist COSUA for the 2010 Soccer World Cup. The implementation of the agreement catapulted Katota to its current state as a global operation of note.

3.1.2 Context- Business objectives / opportunities

KATOTA needs to fulfil its mission as explained in the KATOTA Model. Therefore, it needs a structure compliant with its philosophy and a funding procedure aligned to the requirements of relevant territory laws. For this reason the program is flexible. A KATOTA can take the form of any legal entity provided the entity can be democratically managed and allow for the funding requirements.

Henceforth, the structure and funding procedure are the essence of the following pages.

4 KATOTA STRUCTURE AND OWNERSHIP

The International Standard Industrial Classification of All Economic Activities (ISIC) is a typical profile of all economic activity in a nation.

To view the International Standard Industrial Classification of All Economic Activities (ISIC), please visit

<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27&Lg=1>.

In a nation (KATOTA is nation specific) are three Foundations (Development, Information and Finance). Each of these Foundations has seven Pillars {called: OneWorld, Finance, Assets, Land Development, Industry (manufacturing), Services and Trade}.

Each Pillar has the same Industry types (according to the ISIC tables) indicating the KATOTAS that could be established. Industry based KATOTAS are called Industry Unions. Each Industry Union must have KATOTAS in the same industry as its Members..

The following simple example using one Union – Land and Real Estate (L&R) – will illustrate the principle behind the KATOTA structure. Remember, there is an L&R Industry Union in each of the seven Pillars and there are seven Pillars under each of the three Foundations (with similar License names, but different functions). For the sake of simplicity this example will be limited to the Development Foundation and the seven Pillars falling under this one Foundation – the example cuts horizontally across all L&R Industry Unions in the seven different Pillars under the Development Foundation.

Commercial Estate Agents (*Services* pillar) will offer its counterpart Union in the *Assets* Pillar property for sale, and after adding value, the *Land Development* Pillar takes over to build the envisaged top structure who will buy the building material from the *Trade* Pillar, who bought stock from the *Industry* Pillar, who is responsible for manufacturing building material, while Retail Estate Agents in the *Services* Pillar prepare to sell the top structure to the public, who will in turn, be provided with end-user funds by the *Finance* Pillar. The *OneWorld* Pillar will make sure that end users are guided to be able to afford the end products.

There are seven Pillars under each Foundation because the KATOTA Programme is comprehensive, intensive and serves a nation holistically. Each Pillar profiles the economy of a nation in an identical manner, but the functions of Industry Unions (KATOTAS) and their Projects (KATOTAS) are restricted to the unique character of the particular Pillar it belongs to (as is explained above).

There are three Global Foundations (KATOTAS). Their members are National Foundations. There are twenty one Global Pillars (seven Global Pillars under each Global Foundation) and their members are national (territory) Pillars. Central KATOTAS are established along industry, sector and brand lines and there are an unlimited number of Central Companies that can be established.

The community such KATOTAS serve are Industry Unions (Master Franchise holders) in the various Territories. KATOTAS may take on any legal form permitted under local laws necessary to perform their functions in terms of democratic management and a dual shareholding structure.

As explained in this document, KATOTA is not a conglomerate of companies, but it is a Programme and a way of doing business. The equity a Foundation has in a KATOTA does not transfer the management of that business to the Foundation. Management is the function of the class B shareholders. Oversight and compliance is the function of class A shareholders (being the Sponsors and the appropriate Foundation). It is a condition before applying for KATOTA membership that an applicant must understand and commit to the KATOTA philosophy. All KATOTA entities must pursue the KATOTA philosophy at all times.

The Foundation or the KATOTA one becomes a member of will not introduce its own preferred individuals to take over the business. KATOTA is not in the takeover business. KATOTA provides a platform and structure enabling all KATOTAS to manage their business in a democratic manner supported by the vital resources that was once available only to a privileged few. The holding of equity by the Foundation, in whichever ratio, is not an intention to take over a business, but a reflection of a democratic cooperative structure on which KATOTA relies to execute its Programme as a whole.

The majority equity a Foundation holds does not give it the right to run (manage) a KATOTA as KATOTAS are managed by its class B shareholders in a democratic manner, albeit under the supervision of class A shareholders. Should any member(s) decide to withdraw after joining KATOTA; this retreat will be gradual to ensure a suitable replacement. Fair compensation for the contributions made by previous member(s) is always part of the process.

The extent of equity taken by the Foundation in any KATOTA reflects the extent that KATOTA could use KATOTA Programme assets, as stipulated by its mandate. Sponsor's remuneration must be in accordance with market related scales. Dividends are to be declared after making provision for all required reserves according to GAAP (Generally Accepted Accountancy Practices), and are distributed according to the equity structure.

4.1 OWNERSHIP IS LOCAL AND NATION-SPECIFIC

A Katota is jointly owned by the Risk takers. These are not only the investors but also the community the particular KATOTA serves. Base ownership for the program initiators is via any one of the three Foundations and since the Sponsors and the trustees/directors of the Foundations are residents of the same nation, KATOTA is local. It is not guilty of foreign ownership that perpetually siphons local wealth.

However, Foundations with excess funds could buy financial instruments from other nations.

For a Pillar within a specific territory there is Joint ownership through equity

The Foundation holds up to 95% type "A" shareholding in a Pillar and the Pillar Sponsor is allowed to nominate any number of shareholders, allowed in local law, for the type of entity to take at least 5% type "A" shareholding. The Pillar Sponsor nominees can acquire a loan from the Foundation to pay for the 5%. The Foundation's and Sponsor's nominees take responsibility proportionate to their shareholding for the company's liabilities. The community the KATOTA serves holds class "B" shares to contribute to the management of the Katota.

For an Industry Union within a specific territory there is joint ownership through equity.

The Foundation holds up to 84% type "A" shareholding in an Industry Union. The Industry Union Sponsor is allowed to nominate any number of shareholders, as allowed in local law, for the type of

entity to take at least 16% type "A" shareholding. The community the KATOTA serves holds class "B" shares to contribute to the management of the Katota.

The Industry Union Sponsor's nominees can take a loan from the Foundation to pay for the 16%. The Foundation and Sponsor's nominees take responsibility proportionate to their shareholding for the company's liabilities.

For a Project Company within a specific territory, there is Joint ownership through equity.

The Foundation holds up to 80% type "A" shareholding in a Project Company, and the Project Company Sponsor is allowed to nominate any number of shareholders, only limited by the type of entity, to hold at least 20% type "A" shareholding. The Project Company Sponsor's nominees can acquire a loan from the Foundation to pay for his/her 20%. The Industry Union and Sponsor's nominees take responsibility proportionate to their shareholding for the company's liabilities. The community the KATOTA serves holds class "B" shares to contribute to the management of the Katota.

In all cases, class B shares in all KATOTAS are held by members, being the community the Katota serves. All KATOTAS structured as above could buy Licenses, Mandates and all products, paid by means of UniBonds, explained below.

4.2 CONVERTING TO A KATOTA

Any person or company could participate in KATOTA. To form a KATOTA the community in need must first be identified – this need will determine the core mission of a KATOTA to be structured - from the Nucleus through to Project level. A KATOTA could even be a natural person who identifies with a community who supports him/her in this individual endeavour to create a better life for this community.

When a running business wants to convert to a KATOTA, the current value is first quantified by an independent auditor and, once agreed, shareholders are compensated accordingly. That is why two values are being computed for an enterprise wishing to convert to a KATOTA. It has a current value (pre-KATOTA value) and a KATOTA value (which also indicates its need for working capital to reach its full potential). The enterprise could then be managed as a KATOTA without fear of loss by the former shareholders. KATOTA does not take over, or buy companies – it invests in people and provides working capital for the improvement and expansion of current business operations, assisting them to fulfil its mission for creating a "Better Life for All".

A business not wanting to become a KATOTA could be a service provider to any KATOTA.

A KATOTA could trade freely but the primary objective is the financial benefit of its owners and members. Its goal is the economic development and financial wellbeing of its class A shareholders and its class B shareholders. Without creating wealth for its Class B (members) there is no wealth for class A shareholders (owners and risk takers).

There are several kinds of KATOTAS.

4.2.1 Different KATOTAS and the communities they typically serve

The following are typical KATOTAS, also indicating the communities they serve

KATOTA	COMMUNITY
RMI (Foundations)	The 3 Global Foundations
RMI (Pillars)	The Twenty one (21) Global Pillars
RMI (Central Companies)	The many Central Companies for the industries and brands in the Katota Programme
Each Global Foundation	Each of the 3 Foundations in the 231 Territories in the Katota Program
Each Global Pillar	Corresponding Pillar of development in each of the Two hundred and thirty one Territories in the Katota Program
Each Central Company	Corresponding industry or brand Union/s in each of the two hundred and thirty one Territories in the Katota Program
Each Foundation	The KATOTAS in its programme
Each Pillar of development	The Katotas in the Economic Sector along industry groupings under the Pillar of Development
Industry Union	Project companies defined by its exclusive business licence
Project Companies	The identified community such as co-workers, costumers {target market(s)} being the benefiting community identified before setting up the KATOTA

4.3 THE COST OF ESTABLISHING A KATOTA

There is no difference between one KATOTA and the other. What may differ is the nature of their business, their markets, and the community the KATOTA serves. In all other respects a KATOTA is a KATOTA. RMI, on behalf of the KATOTA Programme has made available on credit USD

6,000,000.00 in merchandise to assist all who want to establish a KATOTA to afford the establishment and pre-formation costs.

A KATOTA must serve a defined community. The Sponsor must raise the start-up capital in order to establish a KATOTA. Alternatively, the Sponsor will have to agree to raise the establishment cost before he/she begins to establish a KATOTA. Please note that under no circumstances will a Sponsor be licensed without proof of sufficient start-up, or working capital.

Start-up capital of USD 6,000,000.00 is required to establish a KATOTA. Thereafter Working Capital is raised by using KATOTA Products. The start-up capital being Establishment and Pre-formation cost could also be raised by buying or selling KATOTA Programme products to the value of USD 6,000,000.00 (and by accepting the submitted invoices and agreeing to pay for the purchased products at a later date).

The cost of setting up a Katota is the same. It is made up of USD 1,000,000.00 actual Establishment and Pre-formation cost (covering all pre-formation costs, from incorporation of company to all licenses and agreements needed) and USD 5,000,000.00 for the initial security deposit required. (This may be negotiable depending on the KATOTA but Industry Unions, Pillar Companies, Central Companies, Global Pillars, will be required to make provision for USD 6,000,000.00.)

The USD 6,000,000.00 is expected to cover all establishment and pre-formation costs. Should a particular KATOTA's establishment and pre-formation cost exceed the USD 6,000,000.00 allowed for by RMI for any reason, approval will be required from the Industry union before such a Katota will be permitted to join KATOTA.

USD 6,000,000.00 worth of products is authorized by RMI to be made available to all who want to set up a Katota. The USD 6,000,000.00 worth of products could be purchased on credit from any existing Katota preferred by the prospective sponsor or new KATOTA and sold to raise establishment cost.

Having addressed the cost of Class A shareholding above, following are some explanation with regard to the establishment cost for Class B shareholders.

The first revolves around proof that this particular member (potential Class B shareholder) is willing and able to make a productive contribution to the Project and community it serves. It works both ways – (i) he/she must be a loyal and productive co-worker in a Project for at least 12 months and (ii) the Project (in which he/she is a co-worker) must proof that it has indeed reached its pre-

determined goals as set out in its business plan. This business plan is the same submitted by the Project to its Union for approval and against which working capital has been raised.

In both instances (the productive personal contribution through loyalty, proficiency and work ethics and reaching Project goals) will be constantly evaluated and verified by the local Project Company responsible for gathering data and evaluations.

The second cost is the sacrifice of time and effort to gain accreditation, thereafter adhering to the KATOTA philosophy as taught in the KATOTA Curriculum of Excellence and maintaining accreditation as a KATOTA member by passing annual refresher courses.

The third is a monetary cost and is equal to an amount determined by the Katota whose Class "B" shares are being subscribed to.

5 THE KATOTA ASSET BASE

The KATOTA Programme has three asset types.

The first asset base is the receivables realized from the phase 1 and 2 programs that run from the initiation of the KATOTA Program in 2003. These receivables total several billions of USD.

The main asset base of the Katota Program is the Katota Program's ability to sell Rights of Use, in the form of Mandates and Licences. Resource Mobilization Inc. in its capacity as the nucleus of the Katota Programme initiates several exclusive and participation business right licenses and mandates of great value, allowing KATOTA members to intra-trade in a synchronized manner. The KATOTA structure, philosophy and training, create a network of passionate members, unparalleled in the marketplace.

The third asset base is the Collaborative Synchronous Trade Portal that will allow local trade (from grassroots level to national level) and global trade between nations. The latter

is so designed that the economies of developing nations could be integrated with the economies of the developed world, as stated in the KATOTA Blueprint and KATOTA Model

5.1 THE BUSINESS OF BUYING AND SELLING LICENSES

The licences in the KATOTA Programme are Exclusive or Participation Business Rights which are issued for a consideration. KATOTA also sells licences as Exclusive or Participation Business Rights to other companies structured as prescribed by KATOTA for as long as there are no KATOTAS offering similar service.

In KATOTA, the licence is an exclusive participation right to conduct business within a territory, within an Industry Type according to the right held by the issuer. The same principle applies as between a Franchisor and Franchisee.

This license transforms any registered KATOTA into a special KATOTA. For the sake of affordability, anyone willing to set up a KATOTA could partner with the relevant Foundation, who shall facilitate the acquisition of KATOTA Licenses.

The buying and selling of other types of licences (such as franchises, patents and other rights) that did not originate from RMI, is part of this business mission.

Consolidation of similar businesses into sound development partners on a cooperative platform is an exclusive business license sold by the Central Company concerned.

KATOTA Licenses are similar to that of any franchise, and must be paid for in cash. KATOTA presents opportunities which are available for establishing KATOTAS in a specific territory it allows local entrepreneurs to participate at free will

Licenses (as defined by KATOTA) specifically, must be paid for at no less that 20% of profit before tax to the issuers or suppliers of Licenses (Franchisor) being the entity that is recorded in the License agreement as the seller or grantor. The price of a License will attract interest at the agreed rate.

KATOTA licences are for a period of five years. They are Renewable Exclusive Participation Business Rights, with the condition that it remains valid in the territory, and industry type for which it has been issued originally, and for as long as it is permissible in terms of local laws. A Mandate

on the other hand, though similar to a license, is not permanent. It may be an event, or period, or product linked, and expires when the Program is completed.

5.1.1 The process of acquiring a License in a Katota Programme is as follows:

1. There has to be an existing company legally able to conduct business in the country in which it is situated and for which a KATOTA licence is needed.
2. Where such an enterprise is seeking a relevant KATOTA Licence, it will have to partner with the appropriate Foundation as prescribed. If the company can afford the License, and subsequent Mandates from its own resources, it may choose not to partner with the Foundation. Partnering with a Foundation allows the enterprise to buy most of what is sold in KATOTA on credit, and pay for goods and services from the income derived from applying its License or Mandate

5.1.2 Target Markets and Scope

The target market for KATOTA licences are registered KATOTAS.

5.2 THE BUSINESS OF BUYING AND SELLING MANDATES

Unlike licenses as explained above, Mandates are periodic participation rights acquired to share in the profits of another KATOTA. Unlike Licenses which are permanent, a Mandate expires after it has been issued and has fulfilled its role.

Trading in Mandates involves the buying and selling of the Right of Use of another KATOTAS assets, which could entail a limited or unrestricted utilisation. Mandates could also be a right to participate in specific Program introduced by another person within, or without the KATOTA Program. Unlike the Licence (franchise) that allows for permanent trade under a certain style or brand, a mandate allows the use of own resources to share in the profits of another person's Program, or use another person's product for the period stipulated in the mandate agreement. Mandates could be issued for specific assets, goods, services, periods, or events after which the right to trade in that product reverts to the exclusive right holder, or the original owner.

Mandates may be purchased and sold at a profit in order to make speedy distribution possible.

A Mandate provides a periodic, or limited right, to use own resources to share in another person's profit. Due to the exclusivity created by a License, Mandates for the relevant industry is automatically available to the Licensee at the asking price of the seller. The negotiation, if permitted by the seller, revolves mainly around the asking price.

Mandates, unlike Licences, must be paid for in cash, and in the absence of cash, UniBonds must be issued. Mandates must be paid for as normal operating costs. Mandates shall be paid for whether

there is profit or not. Any extension in payment must be negotiated with the supplying (selling) entity as a regular business creditor, or if warranted, a UniBond could be issued.

5.2.1 The Target Market and Scope

The market for the business of trading in Mandates is existing businesses large enough to be a KATOTA in their industry. The most geared up market for the Mandate business is the different established KATOTA entities.

There are a few thousand Mandates available within the KATOTA Program, one such mandate is a UniBond, which is a product of African Gold Investments. Buying and selling of Mandates are done in compliance with normal business principles - the seller wants profit while the buyer wants value for money. Trading in Mandates is another very profitable business in KATOTA.

5.3 THE BUSINESS OF BUYING AND SELLING GOODS AND SERVICES PRODUCED BY PROJECT COMPANIES

The KATOTA Model creates enormous new markets not previously considered, as well as re-aligns existing markets. Besides the License and Mandates explained above, KATOTA Project Companies are mostly responsible for producing goods and services for sale.

The KATOTA Model creates opportunities for production, buying and selling of diverse goods and services not previously known, among them unique training methods, unique business growth information, as well as conventional products, such as commercial papers, and commodities such as sugar, oranges, mangoes, television sets, houses, commercial properties, tourism products, etc.

Efforts are being made to list as many goods and services as possible in the shortest time to the benefit of both sellers and buyers arranged according to the ISIC listed on www.katota.com (not yet fully functional). The Collaborative Synchronous Trade Portal plays an integral part.

All enterprises in and outside of KATOTA, are encouraged to share in the possibilities made available by the KATOTA Program. All products introduced to KATOTA, must be introduced by the title holder, and the introducer must be willing to allow a minimum discount of 25% from introduction (CPC) to retail (Project Company).

5.3.1 The Market

The market for the business of producing and trading in goods and services is entrepreneurs and existing businesses large enough to be a KATOTA in their industry. The most reliable market for goods and services is KATOTAS, then Government and the public at large.

5.4 THE BUSINESS OF THE COLLABORATIVE SYNCHRONOUS TRADE PORTAL

References to the Value Management Process, Customised Decision Support System, Specialist Reports, Performance Improvement Proposals and Profit Improvement Proposals imply that all enterprises are subject to accelerated development – this translates into people development and usually people must be stimulated to develop. They must be rewarded for development. This is the KATOTA philosophy – not to build empires for self enrichment, but to contribute to the creation of a “Better Life for All” by means of real (KATOTA) development. .

The Collaborative Synchronous Trade Portal is the reason development will be intensely stimulated because there are direct rewards (support for those enterprises sincere in delivering on their promises) and avoidance of those enterprises constantly refusing to develop their people (in order to improve business performance).

1. Due to the above, all enterprises (within, or outside of KATOTA) are reviewed for being compliant and proficient to deliver the output for what they are contracted to do, or claim to be able to do. An Index is used to indicate their ability and those who do not meet the standard are assisted.
2. They are also indexed for meeting the imperatives; for example (in SA) Broad Based Black Economic Empowerment, or whatever other countries would stipulate for their empowerment conditions.
3. The performance of all enterprises (track record) is continuously monitored (resulting in the different reports listed above meant for accelerated development), subsequently indexed. The information on performance-to-cost has never been commercially available because without the right methodology it is impossible to compute correctly.

The above are only three of much other information that will be published in the form of a Buying Decision Tools for retail buying and selling and Procurement Decision Tools for Business-to-Business buying and selling. It is typical of the Business Intelligence tools to be used throughout KATOTA.

Because these are very powerful decision instruments that will allow decision makers to make informed (best-for-me) buying decisions, and because of their unique features, combined with the fact that they collaborate with existing electronic trade portals, (they do not have to compete) and synchronised existing markets, the income for the KATOTAS are spectacular.

Their unique features cannot be copied by anyone in the world (unless they have the muscle of a KATOTA Program, collecting a wealth of data on all enterprises on a daily basis and use the same

patented methodology). They enable anybody to make a complete informed buying decision within minutes, nowhere else possible, therefore making real the slogan from the Foundation for the Development of Africa – “Less aid, let’s trade”. The accelerated development results are meaningful, visible and verifiable.

6 THE SEVEN PILLARS WITHIN A NATION-SPECIFIC STRUCTURE

Each of the 3 Foundations serves KATOTAS in its territory through 7 Pillars; each being a KATOTA in its own right.

At local level, each Foundation has its own seven national Pillars who operate on similar principles as tertiary co-operatives but limited to the allocated sector only. They are:

- i. **One World** – Consolidating One World KATOTAS to focus on human and community centred development and mobilisation of civil society to follow the KATOTA philosophy.
- ii. **Assets** – consolidating all Asset Programme KATOTAS in a nation on the KATOTA principle of being democratically managed.
- iii. **Land Development** – consolidating land development programme KATOTAS in the nation on the KATOTA principle of being democratically managed.
- iv. **Trade** – consolidating trading programme KATOTA in a nation on the KATOTA principle of being democratically managed.
- v. **Services** – consolidating service KATOTA in a nation on the KATOTA principle of being democratically managed.
- vi. **Industrial Development** – consolidating industrial development companies on the KATOTA principle of being democratically managed.
- vii. **Finance** – consolidating financial services KATOTAS in a nation on the KATOTA principle of being democratically managed.

Each of the above Pillars is as any other KATOTA but is initiated by a Pillar Sponsor, assisted by six selected (advisory) and seven (elected from members) executive directors.

As the names indicate, each of the 7 Pillars has its own character (speciality) and could accommodate Industry Union KATOTAS consistent with the Pillar's area of focus.

6.1 THE KATOTA STRUCTURE IS DICTATED BY ITS NATION-SPECIFIC PHILOSOPHY

At this point, further to the explanation stated above about the national structure, it is essential to understand at least two of the key ingredients of the structure, as dictated by the KATOTA philosophy.

Firstly:

Each Foundation, like each Pillar, has a specific focus and it stays true to its focus at all times. Each operates according to its character assigned to it – if any one acts “out of character” it will trespass on the territory of the other. In practice it means that, on the ground, an enterprise could be served from any, or a mix of different specialist functions housed in the different Pillars. For example, an enterprise could be served by KATOTAS from the Finance, Assets, Development, One World, Trade, Industry and the Services pillars during different occasions as any normal business would be served by many other businesses from their area of speciality.

In the same way, KATOTAS are grouped logically into the industries which they belong to, e.g. a typical service industry KATOTAS should not be confused with a heavy industry manufacturing KATOTAS – each has a distinctive character that determines the industry in which it is grouped. Projects need to stay true to their character (core business) if they want to be successful.

Secondly:

KATOTA operates nation-specific. Its indigenous people run KATOTA and the risks in each KATOTA are limited to the KATOTA concerned. However, bailouts with KATOTA Program resources are possible within the limits of specific mandates acquired. Therefore, the structure, ownership and management of funds on national level, are identical for each Territory around the globe.

6.1.1 A Nation-Specific Scenario

For each country on the globe, the structure follows the same pattern. There are three Foundations (non-profit organisations, or any other institution with tax exemption preferred).

A Foundation may hold in trust the class “A” equity the different KATOTAS to start a programme in a territory but eventually, all KATOTAS will be grouped into their different Industry Unions and into their allocated

Pillars, and into the relevant Foundation. The decision, to which Foundation, Pillar or Industry a prospective KATOTA belongs, is a function of the relevant division within Resource Mobilization Inc, who will follow the guidelines provided by the ISIC. A Katota can start without having to wait for a Pillar or Foundation to be formed in the territory. Later, local structures such as Pillars, Industry Unions, Foundations, will take responsibility of allocating KATOTAS correctly as directed from the office of RMI.

However, there must be a clear understanding that the Foundation and the Pillar entities will eventually take up their designated role once the prescribed structures are in place which will perform the function described in this document. Foundation Sponsors (must always be selected from the designated church or charity group).

The Industry Unions - are categorised along the same lines as that used by the United Nations (ISIC, as mentioned above).

It should be noted that ISIC categorises all economic activities into twenty-one Sections, broken down into eighty-eight Divisions. Each Division has numerous Groups, further refined into a multitude of Classes. Each Class houses all the economic activities that logically belong, whether business enterprises, non-business organisations or government activities (on all three tiers). In KATOTA terminology, these business and non-business organisations are called Projects.

Resource Mobilization Inc. will initially perform the specialist function of placing the KATOTAS under the right Industry Union (KATOTA of KATOTAS) and the right Pillar (Tertiary KATOTAS).

6.2 SHAREHOLDING AND THE PURCHASING OF EQUITY

The focus of KATOTA is not to buy property, Intellectual Property, or companies. KATOTA is a collective Development Programme. Where the purchase of equity does occur, it is not for the sake of accumulating an asset portfolio for the Foundation with the aim of building an empire. It is to partner with an interested and able Sponsor, enabling him/her to establish a KATOTA participate in this comprehensive and wide reaching Development Programme for the sake of creating a "Better Life for All".

In most cases it would mean the Foundation partners with current owners of companies that can be converted to a KATOTA and then invests *to empower them*, providing diverse decision support *to equip them* and allowing them to benefit from the KATOTA Program, *enabling them* to create wealth and a "Better Life for All", by operating according to the KATOTA Africa- Focused Collective Programme for Accelerated Development.

KATOTA can be described as a democratically managed entity instigated by a responsible sponsor responsible for setting up the complete KATOTA with all its requirements.

Whenever KATOTA is approached, it must be from the understanding that the engagement is as with any other democratically managed entity such as a co-operative that has the combined muscle that real unity provides, with shareholder capital of the Katota Program resources. The License to consolidate similar businesses into a KATOTA is one of the unique characteristics of the KATOTA

structure. The share holding arrangement is to provide a base for raising credit to run the KATOTA.

The amount of equity taken by the Foundation in any member Katota must be sufficient for the Foundation to be able to give the member maximum support.

In instances where ownership of an existing company converting to KATOTA totally changes hands, the original owner(s) must always understand that KATOTA per se, never bought the company to expand its own asset base. There is no mother KATOTA with an asset base. The targeted company/asset will be purchased for the benefit of another person (who has registered to join the KATOTA Program).

The objective and vision of KATOTA is "*a better life for all*". From this point of departure, all who engage with any KATOTA must understand the objective is to ensure that whilst the person(s) engaging will have his/her/their needs satisfied, someone less privileged than the original owner is, ultimately benefits in a meaningful way from an engagement with KATOTA.

Various governments have tried and implemented several methods to achieve a better life for all. For instance, in South Africa there is Broad Based Black Economic Empowerment (3B-EE), the United Arab Emirates have Sponsorships, and in Zimbabwe, and many other nations, they have conventional affirmative action policies covering declarations and reservations of certain industries for citizens, or indigenous people of that country. On top of that, there are various prescriptions on partnerships and shareholding for doing business in certain countries.

The above methods have contributed to achieve the desired goals – However, the KATOTA point of departure is to stimulate development without depriving / suppressing those who own resources. A resource must always be credited to the legal owner (after true ownership has been verified). A fair market value must be placed on the resource concerned and exchanged in the fairest trading manner without depriving the weak.

6.2.1 Exit strategy

A Katota Company can (as part of its exit strategy) list all (or any part of its shares) to the public via public listings once (in the opinion of the members of the KATOTA concerned), the KATOTA is "sound enough" to stand on its own through listing. This will contribute to extending the vision of a "better life for all" to a larger portion of the community.

Unions cannot exit the KATOTA programme but Project companies are allowed to exit.

A Sponsor of a KATOTA, at any level, can exit by selling its Right of Sponsorship to another applicant Sponsor who does not currently hold a Sponsorship position.

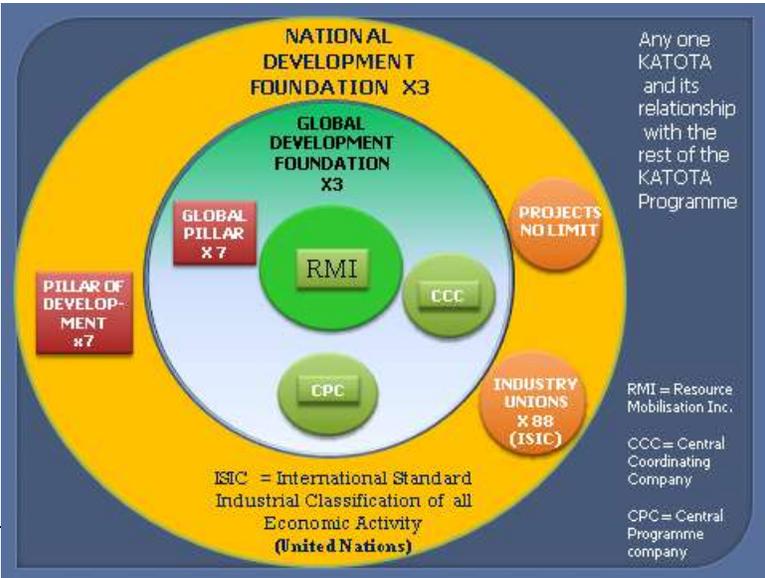
6.3 CROSS SHAREHOLDING BETWEEN NATIONS

The connection from one nation or territory to the other is via nation specific Foundations, and agreements.

Global Foundation can take up to 100% shareholding (to the extent it is allowed by local laws) in another nation’s Foundations, if the Foundation is a Limited Liability Company, limited by Shares or Guarantees.

If the local Foundation is a Not for Profit Organisation (NPO), then the Foundation will receive a License from the Global Foundation to operate as a KATOTA Foundation. The only possible direct link between the KATOTAS of different nations is via the Foundations. Otherwise all other KATOTAS operate by Licenses and mandates.

6.4 A GRAPHIC DISPLAY OF THE KATOTA STRUCTURE AND OWNERSHIP



The two slides (left) and the picture on the next page explain the KATOTA



7 FUNDING

Subject to acquiring a mandate for raising capital, any KATOTA entity could raise capital via products put up for sale by the KATOTA in need of the funds to commence business according to the KATOTA philosophy.

7.1 THE ROLE OF A CENTRAL FINANCE COMPANY (CFC)

Central Finance Companies (CFC) are Global KATOTAS participating in the Finance Foundation Program. Their role is to provide management and coordination from a central position for the KATOTAS in their Program as is customary with global brands.

All local KATOTAS in a particular CFC program trade as directed from the CFC to ensure uniformity and brand preservation. The CFC also provides a central negotiation service to their Program participants

7.2 THE ROLE OF A CENTRAL DEVELOPMENT COMPANY (CDC)

Central Development Companies are Global KATOTAS participating in the Development Foundation Programme. CDCs are central owners of their KATOTA Program and coordinate the participation in their Programs by KATOTAS from a central position as is customary with multinational brands

All local KATOTAS in a particular CDC program trade as directed from the CDC to ensure uniformity and brand preservation. The CDC also provides a central negotiation service to their Program participants.

7.3 THE ROLE OF THE CENTRAL INFORMATION COMPANY

Central Information Companies are Global KATOTAS participating in the Information Foundation Programme. CICs are central owners of their KATOTA Program and coordinate the participation in their Programs by KATOTAS from a central position as is customary with multinational brands.

All local KATOTAS in a particular CIC program trade as directed from the CIC to ensure uniformity and brand preservation. The CIC also provides a central negotiation service to their Program participants.

7.3.1 Real Benefits Generated by Real People

KATOTA, true to the meaning of the word, brings real benefits to communities generated by real people. To make this possible every KATOTA is a key role player. No one is more important than the other as each has a different and important role to play in a harmonious effort to create a "Better Life for All".

However, there are two instruments that fulfil a central role in the background.

The OneWorld card

Real people are those that could be identified by other people in the community he/she lives in and where such a person's personal conduct is regarded as honourable and above reproach by this community he/she proposes to serve. If the contrary is true such a person has nothing trustworthy to offer.

Therefore, if a KATOTA member brandishes a OneWorld card it is a testimony of such a person's integrity and good personal conduct in all spheres of life – both personal and business (such as good work ethics). The OneWorld card must be so highly regarded by outsiders that strangers will feel comfortable with a OneWorld card bearer and even waive or reduce conditions normally applicable to complete strangers.

KATOTA, through one of its Central Membership Companies, has the ability to bring about this desired standard should the member agree to be transparent, accountable and commit to restitution in the event of

a mishap. Nobody is perfect, but if one is willing to pledge to these three conditions, the local Membership Company will institute the necessary means to help the member managing his/her reputation by providing regular confidential Performance Improvement Proposals on how his/her personal conduct is being perceived by his/her peers or community. Any person not willing to have the community he/she serves express such an opinion and thus chooses not to be transparent (but obscure and covert), not to be accountable (but careless and slapdash) and not fix his/her mistakes (but irresponsibly stumbling ahead) is not worthy of KATOTA membership.

The Quality 5 Card

The Q5 card boasts unique benefits because of its special license granted by one of the major global card companies, its special relationship with a bank and its link to broadband technology 25 times faster than currently available in Africa at a quarter of the price. The benefits to communities are manifold and unique. Therefore, large corporations and governments have agreed and indeed are eager to use the Q5 card for payment of salaries and grants. It is expected most African governments will follow the example of those already given positive feedback because they cannot refuse the total value proposition being offered to them.

The Q5 Card is cleverly used to (i) gather massive amounts of data and (ii) distribute wealth.

The interpreted data is used for changing the manner in which enterprises will conduct their business and governments will govern - all to the improvement of the very processes enterprises and governments use to create and deliver value for customers or constituents – working towards creating a “Better Life for All”.

Every card holder will generate income for his/her self as well as for the communities they belong to. For the first time ever, local businesses over a broad band will contribute hard cash to local schools and charitable organisations by ordinary people in the community carrying on with their normal consumer spending –thus distributing wealth and creating a “Better Life for All”.

8 ASSUMPTIONS AND CONSTRAINTS

The Industry Union KATOTAS are exclusive industry license holders or Master Franchise Holders who also function like any KATOTA but dedicated to promoting their products.

8.1 SENSITIVITY ANALYSIS

Given enough time, a Probabilistic Sensitivity Analysis could be conducted on the KATOTA Programme, which will consider a wide range of scenarios that will increase the level of confidence a reviewer will have in the KATOTA Business Case. A Probabilistic Sensitivity Analysis is a useful technique to quantify the level of confidence in the conclusions. Below are a few parameters which are key determinants for the success of the KATOTA Programme.

8.1.1 Economic conditions - rising of prime interest rates

Annual return on investment, after inflation, of 25% is already high, but it is achievable. However, should the inflation rate in a nation increase significantly, the feasibility of the KATOTA concerned should be revisited.

8.1.2 Profitability of Project Companies

The success of each KATOTA as a license holder is key, to the success of the entire KATOTA Programme. As business enterprises face a harsh competitive environment, Licensed KATOTA Companies face the same challenges as all other businesses. (For new enterprises generally, the rate of failure is as high as 80%.) KATOTA consolidates existing businesses (the focus is consolidating existing businesses, not new enterprises) and assist them to be more profitable because of the KATOTA value proposition (summarised on the front page).

It is, therefore, critical for KATOTAS to embrace the business services available to them from their Industry Union. KATOTAS are obliged to follow the regular Performance Improvement Proposals, and Profit Improvement Proposals, generated by the Value Management System and Customised Decision Support System, disseminated to key decision makers by means of Business Intelligence Tools.

All key decision makers (managers, directors and trustees) of KATOTAS (Projects, Industry Unions, Pillars and Foundations) will receive Business Intelligence on a live reporting system, that will keep them informed with accurate and concise Fundamental Management Information of Strategic, Tactical & Operational significance, timeously – for proactive remedial action.

8.1.3 Human factors

In order to ensure the involvement of the right people, with integrity, and commitment to embrace the KATOTA philosophy, all prospective parties interested to become members of KATOTA, will have to be accredited before being issued with a license to conduct business as part of KATOTA .

Accreditation requires passing the KATOTA Curriculum of Excellence comprising the following five modules:

1. Personal Excellence and Leadership
2. Value Management
3. Sustainability 2.0 including SHEQ
4. Ethical Best Practices
5. KATOTA Governance

Passing the KATOTA Curriculum for Excellence leads to accreditation which paves the way for licensing to form a KATOTA. However, before licensing and receiving the Mandate to use KATOTA Program assets, the accredited member needs to conclude a partnership with the appropriate Foundation (one of three) in the prescribed manner. Thereafter the Pillar or the required Master License Holder could issue a license to the Sponsor to form the KATOTA and to commence with business.

9 IMPACT

The KATOTA Programme has specific goals to meet. It is different to a conglomerate of companies where each is chasing maximum profit.

KATOTA comprises a significant number of profitable companies (for sustainability), but behind it all sits the KATOTA philosophy of “a better life for all”.

Its structure is so compiled that, although legally independent, all activities are bound by the golden thread of its philosophy.

A prudent communication strategy is in place to quantify and multiply the goodwill created by one KATOTA activity, to the benefit of all the other future KATOTA activities – community by community.

9.1 STRATEGIC CASE

Some of the core unique differentiators are:

1. Vertical and Horizontal Capital (financial and management resources) are available on the basis of Union capital.
2. The risk of failure is mitigated through prudent project selection, effective management, decision support systems and enterprise incubation systems.
3. The collaboration network creates new routes to markets (especially to the bottom-of-pyramid emerging markets) thereby creating a “pull” factor.
4. Accelerated commercialisation through incubation systems.
5. The sustainable development of humans and communities.

9.2 ECONOMIC CASE

The KATOTA development capital (commercial capital) is not to be used for self enrichment, but to seek the collective good of all by conducting a normal business on democratically managed principle, but with extraordinary strength due to the KATOTA structure and philosophy.

KATOTA defines “collective good” to be a Programme that benefits not less than two independent persons in the same industry.

The KATOTA Programme is a top-down structure. Market forces are used to force benefits down to grassroots level, consequently strongly encouraging skills development (that is every time accurately identified). However, the KATOTA Programme will experience a strong bottom-up demand once communities experience its benefits, which means it is also an enabling system, starting at grassroots level.

In both instances, it deploys a highly structured support system that does not exploit nor create dependency, but ensures that value and wealth creation, are entrenched from the top-down, as well as bottom-up, in order to disseminate development benefits throughout communities.

9.3 COMMERCIAL CASE

KATOTA is a normal commercial business that encourages democratic principles of management and trade amongst KATOTAS.

The future opportunities are encapsulated by the emerging markets of Africa, South America and Asia. Currently, these opportunities are exploited by exporting raw material instead of adding value locally. The KATOTA network enables the development of these opportunities, ensuring that value and wealth creation are entrenched in local communities.

Its global network also enables new trade opportunities and new routes to markets, thereby ensuring viability and accelerated commercialisation. Where there is a market – there is a business opportunity. Therefore, it is possible to give credence to the slogan of the Foundation for Africa Development - “Let’s trade, less aid”.

9.4 FINANCIAL CASE

It is estimated that 70% of the 80% new venture failures, are due to lack of cash flow, not profitability. This means that new ventures are typically under-funded, under-capitalised, often because the cost of capital is too high. The role of Finance Program KATOTAS is to increase the success rate of all KATOTAS by minimising under-funding risks. It means providing (i) the cash needed, or grant KATOTAS opportunity to use Financial Instruments in lieu of cash within KATOTA, and those outside of KATOTA who are willing to accept its Financial Instruments, (ii) scientific forecasting, (iii) investment selection and (iv) Decision Support Management Systems. This combination provides great competitive advantages, leading to more successful enterprises, consequently significant returns on investment are possible.

9.5 MANAGEMENT CASE

Research has repeatedly indicated that another important reason for the failure of (especially Micro, Small and Medium) Enterprises, is the lack of business acumen and incompetent business management. Therefore, KATOTA does not believe the development of Africa lies in SMME's. It believes that SMME's operating in the same Industry Type should be congregated under Unions and through this unity, strength is created.

The Unifying of Micro, Small and Medium enterprises into an Industry KATOTA eliminates the size issue (as there is strength in the synergy created by the Programme). Industry KATOTA Companies employing (amongst other resources) the Value Management System, Customised Decision Support System and the Enterprise Incubation Support System (to new enterprise), reduce many business threats significantly.

The KATOTA Programme structure ensures that development is both vertical (capitalist), and horizontal (social). Wherever the KATOTA Programme is deployed, continuous learning and development take place – not only within communities, but also within KATOTA. The KATOTA network enables collaboration, but also the mobilisation of human capital on such a wide scale that it will become its biggest asset.

This will enable innovation to emerge from grassroots level and will enable the emerging markets to make a quantum leap bridging the huge divide created by the historical exploitation.

9.6 A CASE FOR SUSTAINABLE DEVELOPMENT

The Central Companies have the mission to ensure that the programmes they introduce or represent function in a sustainable manner worldwide.

Compliance and Proficiency issues for each KATOTA will be ascertained beforehand, followed by remedial action, where necessary. Compliance and proficiency will be checked continuously to ensure that the KATOTA database is fresh and updated.

This vital information of compliant and proficient enterprises is a prerequisite for healthy trade and will be available on a live Business Intelligence Tool.

This transparency of worthiness is also a prerequisite for integrating developing economies with that of the developed world. The developed world must have confidence in the ability of under developed economies businesses to perform as specified, on time and within budget, otherwise "more aid, less trade" will prevail. This is confidence the KATOTA Program produces.

Projects will be front-end engineered and designed to ensure the sustainability is achieved on the following five-fold bottom-lines:

1. **Ethical:** The values entrenched and subscribed by KATOTA will guide all investment and operational decisions.
2. **Community:** The development and beneficiation of human and community capital will be entrenched in each project.
3. **Environmental:** The first measure is not to harm the environment. The second measure is to restore and beneficiate the environment.
4. **Economic:** Financial viability and wealth creation are not measured merely on short term, but also on the long term. Full cost accounting will be applied to ensure sustainability.
5. **Spiritual:** Leaving a legacy of significance for next generations ensuring sustainable habitats and livelihoods is the highest calling.

10 CRITICAL SUCCESS FACTORS

The strategic critical success factors are focussed on achieving success for the KATOTA Programme and for Accelerated Development, overall. Each specific Pillar, Industry Union, and Project, will have different success factors under the same headings:

1. Establishing sound and highly viable projects on grassroots level.
2. Providing project based development funding at market rates, lenient payment terms and a long term investment focus.
3. Investing in green field start-up ventures, but sufficiently supported as described above, mitigating, leveraging and underwriting the risk factors.
4. Providing the support incubation and management systems, referred to above.
5. Opening up trade and new routes to markets by means of a unique Collaborative Synchronous Trade Portal.
6. The Central Companies, will each have the necessary technology to gather an immense amount of data from a very wide scope of primary, and secondary

sources, for the sector or brand they each represent. It will engage in intensive data mining procedures to find correlations from seemingly unrelated data.

7. This will open unfathomable opportunities only available to the KATOTA Development Programme.

11 PROGRAMME ASSURANCE

Each prospective Industry Union in the KATOTA Programme once accepted by the Foundation will qualify to acquire and resell Mandates to the limit of capital approved based on existing and continuously replenishing resources within the KATOTA Programme.

Each Industry Union Katota will be licensed by the appropriate Central KATOTA in the KATOTA Programme to act as an Industry Union KATOTA.

12 CLOSING REMARKS

The role of KATOTA is to contribute to Collective Development, focused on Africa; as a means to contribute towards the creation of a "A Better Life for All". The Founders believe in the success of the KATOTA Programme as a means to create wealth for all, and as a result, they have "put their money where their mouth is" by offering, products derived from earned assets, to underwrite financial risks in the entire KATOTA Programme

The KATOTA opportunities create real prospects for the sustainable development focused on Africa.

The KATOTA Programme establishes the following:

- Developmental funding to the level required.
- Project based funding and underwriting instruments.
- Enterprise incubation and management systems to mitigate business risks.

- Collaboration networks for more trade and new routes to markets.
- Education, mentorship and learning platforms for the development of human capacity.
- Sustainable and scalable projects to ensure economies of scale.
- Management science based forecasting, measurement and analysis systems.

Developing human capital within communities through value creation is a fundamental prerequisite for creating “A Better Life for All”. The KATOTA Programme will endeavour to contribute to human capital development. The programme opens new routes to markets (previously underutilised and inaccessible for businesses).



In essence, the above describes how the KATOTA philosophy *empowers KATOTA members*, providing diverse decision support *to equip them*, and allowing them to benefit from the KATOTA structure, *enabling them* to create wealth and a “Better Life for All” by operating according to the KATOTA Africa- Focused Collective Programme for Accelerated Development.

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INCORPORATING:

The South African Data Mining Institute

The South African Benchmarking Institute

PARTICIPATING IN:

The Telkom Centre of Excellence – NWU (Potchefstroom campus)

The Centre for Advanced Decision Support Systems

IN COLLABORATION WITH:

The Decision Systems Laboratory – School of Computer, Statistical and Mathematical Science NWU
(Potchefstroom Campus)

MEMBER OF:

The South African Institute for Management Scientists
The Southern Africa Case Research Association
The Academy of International Business
The Academy of Marketing Science
The International Corporate Marketing Communication Association

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