


Investor's Notebook

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One of the more unusual success stories in SA insurance is IFA. Not independent financial advisers, though they have certainly been successful at creating wealth, at least for themselves. I mean Clientèle Life's independent field advertisers, an altogether more honourable group of people.

IFA adopts the Tupperware sales model, more unkindly known as pyramid selling. It allows people with no formal qualifications to earn money. They go to an IFA presentation and sign up. Once they have sold policies to five people they start earning monthly fees, if any of those people sign on new clients they also get a cut of their income. It is a very sociable business as well with numerous rallies, conferences and competitions with Desmond Dube as MC. Many things that are no longer available to independent financial advisers are still available to the Clientèle IFA.

Maybe the old-style IFAs should switch allegiance, as with Clientèle they will be in line for a holiday in Greece this year and a trip to Dubai next year. I have a DVD of one of the Clientèle IFA rallies which are part evangelical and part entertainment. They often take place in the Northgate Dome and look like Rhema Church meets the Rat Pack.

No-one has been able to touch Clientèle in networking marketing, Sanlam made a half-hearted attempt with Channel Life. Ethan Dube, the CE of Vunani, hopes to breathe life into Channel, now known as C4Life. The silky merchant banker has taken a 31% stake. It adds another string to the business which has fund management, stockbroking and investment banking competence. C4Life offers life and funeral policies through a network of 38 000 so-called business owners; only some sell policies full time. The management of C4Life will be the other main shareholder in the business. Let's hope they don't lose focus. They have spent R50m on new products designed for the mass affluent market. Instead of concentrating on the lower end of the market it plans to launch products right up to LSM 10 into the heartland of the big life offices. It also plans to offer short-term insurance, which clearly lends itself to direct sales, not to a daisy chain of half a dozen salesmen all taking a slice of the commission. But I am sure that C4Life will bring some vitality into the network marketing field; and I know the competition will sharpen up Clientèle. The gloves are off.

But the big question to ask is when will Ethan Dube pinch Desmond Dube to front his campaign. I am longing to see the Dube brothers on stage. ■