

PROFESSIONAL SKILLS

NETWORK

TRANSFORMATIONAL COMPETITIVE

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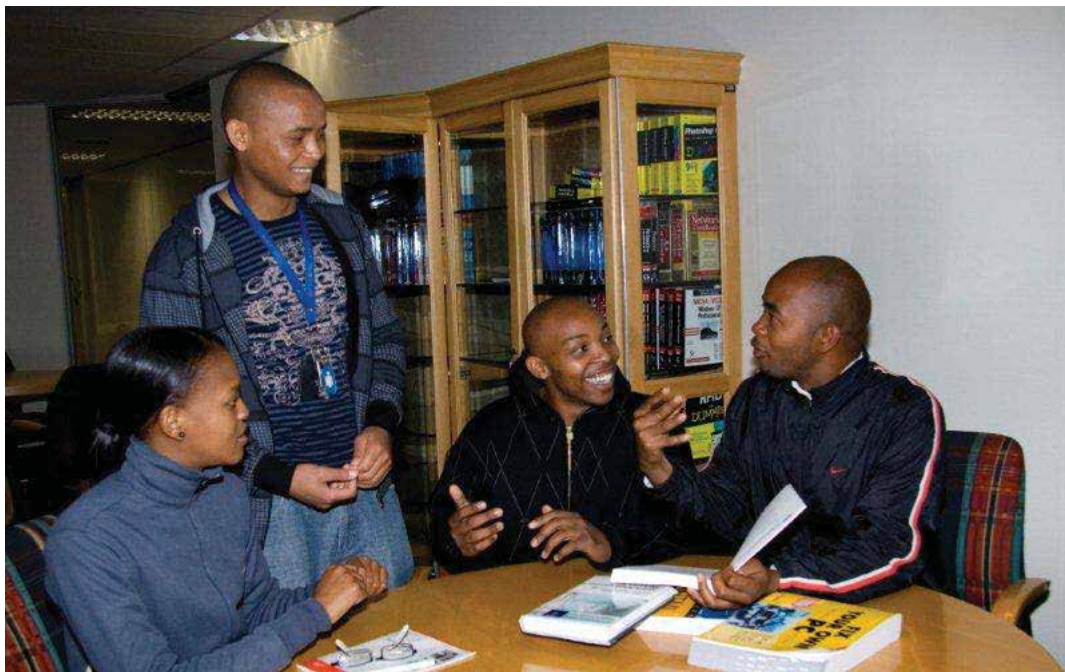
Insights into the delivery of unique business benefits based on BEE compliance

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Executive summary

Business Beyond Boundaries (BBB) has developed a unique portfolio of expert consultancy and turnkey managed services focused on Broad-Based Black Economic Empowerment (B-BBEE) that enable businesses in South Africa to build unrivalled competitive advantage in an economy characterised by an extremely complex socio-economic transformational environment.

BBB's key differentiator is the provision of turnkey services that enable clients to successfully execute skills development, enterprise and supplier development, and socio-economic programmes that not only garner the maximum points available in terms of these very expensive elements on the BEE scorecard, but that are implemented at virtually no cost to the client in the true spirit of transformation.

In fact, with BBB's expertise and professional support the costs associated with these key scorecard elements – that total up to 6% of payroll and up to 4% of net profit after tax (NPAT) – are dramatically reduced to being virtually cash neutral for the company.

Solutions and services are focused on the provision of measurable business benefit and value based on the delivery a comprehensive range of fully-certified and accredited learnerships, skills development and training programmes that benefit Black people with disabilities across the country and that enable organisations to greatly enhance their B-BBEE Scorecard rating and boost bottom line performance – at virtually **ZERO** cost to the business.

Over the past decade BBB has successfully delivered programmes to a client list that includes many of the country's premier blue-chip enterprises, including well-known brand names such as Mr Price Group, Dimension Data, Imperial Group, OMNICOM Media Group and many others.

A MEASURE OF GENUINE TRANSFORMATION

A true and meaningful measure of what BBB has achieved in concert with its clients is the fact that the company has, since its launch almost 10 years ago, successfully enrolled and trained more than 8 300 Black individuals with disability on SETA accredited learnerships.

This programme has generated more than R 255-million in allowance income for these learners to make a significant difference to the quality of life for these individuals and their families. And in partnership with clients equally committed to this grass-roots transformation programme BBB aims to generate more than R45-million a year in allowance income for future generations of disabled learners.



Introduction

Business Beyond Boundaries (BBB) is a 51% black-owned company specialising in the provision of independent consultancy and the delivery of turnkey managed services concentrated on key elements of the Broad-based Black Economic Empowerment (B-BBEE) scorecard and meaningful socio-economic transformation.

Based on expert capabilities focused on the design and management of SETA-accredited learnerships, BBB plays a unique and measurable role in helping clients to cost-effectively improve their B-BBEE credentials while at the same time making a meaningful contribution to enhancing the quality of life of disabled individuals from previously disadvantaged backgrounds.

Key features and benefits

The key features and benefits of the services offered by BBB are concentrated on addressing and dramatically lowering the cost of skills development - the most expensive element when it comes to maximising points available within the B-BBEE scorecard.

Features and benefits of BBB's unique approach include:

- An undertaking that, with expert assistance and support from BBB, up to 95% of the total required spend on learnerships can be recovered in cash by means of various SARS-approved Income Tax grants. This helps to guarantee that skills development investments are virtually cash-neutral for the business.
- Support provided by BBB for the recovery of Income Tax Grants helps to ensure that the cost of BEE compliance for the skills development element of the client's scorecard is reduced to virtually zero (See **Appendix A** – an example of cost recovery for 10 learnerships).
- BBB takes responsibility for facilitating host employment for learners at other companies that are ideally structured to work with people with disabilities. This ensures that the client is shielded from having to manage the complexities of dealing with this aspect, which can be a major disruption to normal day-to-day business operations.
- All documentary evidence required for a successful BEE audit, including the provision of signed EEA1 submissions (forms that provide acceptable proof of disabilities) along with the signed learnership agreements, are provided by BBB as part of the turnkey service and at no additional cost to the client.
- The BBB skills development solution enables clients to fully address and comply with the requirements of both the Skills Development Act as well as the B-BBEE Act in the most cost-effective manner possible.
- Onerous, time-consuming and often complex administrative and management functions associated with SETA-accredited learnership programmes for people with disabilities are removed from the client's direct responsibility and involvement by the provision of these and other related services at no additional cost.
- The BBB skills development solution meets the requirements of transformation in its purest form as it makes a fundamental difference in the lives of many poor and previously disadvantaged individuals as well as the lives of their families. (See **Appendix B** - "The Story of Sarah").
- BBB has a proven track record whereby an average of more than 90% of learners enrolled on learnerships on behalf of clients successfully complete their courses compared to a national average of 31% for all learnerships.

Background and situation analysis

The following backgrounder and situation analysis is intended to provide a broad understanding of what the government's motivating strategy is for B-BBEE as well as very brief insights into some of the complexities and pitfalls faced along the way in trying to meet key objectives within any genuine commitment to transformation.

Much of the following material can be attributed directly to government research and other official sources of information.

Broad-based Black Economic Empowerment (B-BBEE), a government policy supported by legislation in the form of the B-BBEE Act first promulgated in 2003, is intended to drive transformation of the South African economy by promoting meaningful participation in the national economy by previously disadvantaged Black people.

There is absolutely no doubt that the government's definition and key strategic objective of B-BBEE is not only laudable but also imminently achievable if the challenge to economic transformation is approached in the right spirit of intent.

Regarded as the bedrock on which to ensure that past discriminatory imbalances are effectively redressed, B-BBEE is also very specifically designed to not only dramatically broaden participation by historically marginalised communities throughout the economy, but to do so for the benefit of all citizens in pursuit of accelerated growth, job creation and the eradication of poverty.

This is supported by the fact that the government regards B-BBEE as an integrated and coherent socio-economic process that directly contributes to the economic transformation of South Africa and brings about significant increases in the numbers of Black people that manage, own and control the country's economy, as well as significant decreases in income inequalities.

It clearly states that increased income levels of Black persons and a reduction of income inequalities between and within race groups, will guarantee a bright and prosperous future for all who live in South Africa.

While the strategic principles that guide B-BBEE are beyond reproach and are generally well supported by all South Africans across all spheres of life - political, social and economic the implementation of meaningful and truly effective transformation initiatives are more often than not perceived to be extremely difficult to implement and manage due to both complexity and cost.

One of the priority elements within B-BBEE is Skills Development as it is widely recognised as being a critical and significant contributor to transformation. This is also acknowledged and supported by corporate South Africa.

The preferred methodology for skills development and training, as adopted in the government's National Skills Development Strategy, is Learnerships whereby trainees are not only equipped with theoretical knowledge, but they are exposed to the workplace and undergo a 12-month workplace learning experience. The added benefits are that they learn to understand the workplace, basic self-discipline that is required for success while at the same time earning a monthly income in the form of a student stipend, which equips them for the employment market.

Solution overview

The required spend to maximise the B-BBEE points available under the skills development element on the scorecard is very high as the targeted spend is 6% (six percent) of payroll. This is a major challenge for many companies and the element is therefore often overlooked or dismissed due to budgetary constraints.

BBB's solution addresses one of the fundamentals of the government's overall B-BBEE strategy – the creation of income for those who would otherwise be faced with living in abject poverty. This is achieved in a manner that allows BBB clients to meet the required objectives in a way that is virtually cash-neutral to them by utilising all available Tax Grants.

Based on extremely strong strategic partnerships formed with several carefully selected, highly qualified, experienced and long-established organisations that specialise in learnership and private post-school skills development programmes for differently-abled persons in South Africa, BBB's policies and institutional plans are in line with the White Paper for Post-School Education and Training (2013) and the National Skills Development Strategy III, and have been explicitly developed to address the specific needs of persons across the spectrum of disability.

This comprehensive portfolio of SETA accredited skills development solutions not only makes a meaningful difference in the lives of people with disabilities but also helps to uplift the quality of life of the families of such students. All training for the disabled complies with the BEE Act that specifies that 6% of a company's payroll must be spent on skills development.

In addition, all training conforms to the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 by ensuring that the appropriate resources are put in place to enable the beneficiaries of any such training to have equal access to opportunities in the workplace and enable graduates to earn a sustainable livelihood as meaningful contributors to South Africa's national economy.

Programmes are aimed at identifying career paths and fostering employability in the open labour market by creating platforms for students to gain confidence and practice skills under the nurturing supervision of experienced business unit managers.

Extensive independent research, backed by BBB's own experience in the market, confirms that to an overwhelming extent companies that would like to comply fully with training for the disabled are unable to effectively address this requirement for many reasons.

These reasons include the complexity of managing these programmes such as finding sufficient learners to fulfil the spending requirement of 6% of payroll; finding host employment opportunities with companies that are experienced in managing workers with disability; where to train learners; who should train them; and how to train them.

**It has been said that the life of a person who has been educated
by means of a learnership will never be the same as the person
would have been uplifted forever.**

Conclusion

The expertise and extensive experience of BBB as a leading, independent business consultancy that has developed a unique, holistic and commercially-motivated approach to the provision of B-BBEE counsel and turnkey managed skills development services, creates a strategically important opportunity for clients to build and sustain competitive advantage in the local market.

Just as importantly, BBB's unique approach generates a measurable and sustainable contribution by the client to addressing the imbalances of the past and to enhancing the dignity of previously disadvantaged individuals and communities by providing them with career prospects and access to income.

What's more, the cost of skills development – normally by far the most expensive aspect of compliance on the BEE scorecard - can be reduced to virtually ZERO with the client able to recover 95% (ninety-five percent) of whatever actual cash is needed to successfully address this priority element.





About BBB

Business Beyond Boundaries (BBB) is a 51% black-owned company specialising in the provision of independent consultancy and the delivery of turnkey managed services concentrated on key elements of the Broad-based Black Economic Empowerment (B-BBEE) scorecard as a non-negotiable condition of doing business in South Africa.

The company's own B-BBEE credentials as a Level 2 Black-owned company also makes a significant contribution to procurement points for all clients.

Solutions offered are uniquely focused on dramatically reducing the cost of B-BBEE compliance while at the same time creating competitive advantage based on greatly improved business development opportunities at an enhanced level of operational profitability.

Just as importantly, BBB enables its clients to generate a measurable and sustainable contribution towards addressing the imbalances of the past by enhancing the dignity of previously disadvantaged individuals and communities by providing them with career prospects and access to regular income.

BBB brings a strong commercial perspective to BEE rather than striving only for legislative compliance. The focus is not only on assisting clients to achieve the maximum BEE Scorecard points available to them at the lowest possible cost, but also to help ensure that measurable business benefits are quantified so that informed decisions can be made about how to achieve the best and most appropriate B-BBEE scorecard rating.

About the services

The Broad-based Black Economic Empowerment (BEE) consultancy and turnkey managed services offered by Business Beyond Boundaries (BBB) are headed up by the company's Chief Executive Officer, Hansie Fourie.

A qualified Chartered Accountant with a wealth of operational experience based on having held a number of executive management positions in several blue-chip companies in South Africa, he brings an exceptionally strong commercial, benefit-driven approach to B-BBEE as opposed to treating the subject as a pure compliance or risk mitigation issue that is so often adopted by other in-house or external advisors.

He is backed by an experienced team whose focus is to innovatively improve the B-BBEE Scorecards of measured entities in the best interests of genuine transformation and within the parameters of the law while at the same time ensuring that the cost of compliance is driven down to the lowest possible level.

For further information

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APPENDIX A

LEARNERSHIP COST OVERVIEW

Table illustrating the use of available Tax Grants to reduce the actual cost of skills development.
Example based on 10 unemployed learners with disability.

DESCRIPTION	AMOUNT
Cost of learnerships - 10 x R 42 000 each (Excl VAT)	(R -420,000.00)
Tax Saving at 27%	R 113,400.00
Income Tax Grant to be deducted from Income Tax (12H)	R 324,000.00
Net after tax profit	R 17,400.00
Student stipends payable for 12 months	(R -300,000.00)
Employment Tax Incentive (rebate)	R 180,000.00
Income tax relief on stipends	R 81,000.00
Net stipend cost	(R -39,000.00)
Net after tax profit / (Cost) to company	(R -21,600.00)
Approximate profit / (Cost) per learner per year	(R -2,160.00)
Total net cash cost percentage	3.00%

APPENDIX B - "The Story of Sarah"

As an illustration of the real and tangible value that BBB's training and learnership solutions can bring to individuals selected to benefit from B-BBEE skills development investments, the following example has been selected from an actual learnership programme for individuals with disability conducted by BBB on behalf of a client.

THE REAL VALUE OF GENUINE EMPOWERMENT - 'The story of Sarah'

Sarah (not her real name) was a young black woman of 23 living in a shack in a squatter camp on the outskirts of Cape Town. Due to a learning disability, she was kept closeted in the shack by her family.

Due to her disability having been recorded by the Department of Social Services, her family received a monthly grant of R1 700 as the only regular contribution to the family's day-to-day living expenses.

A social worker allocated to the area where Sarah lived, happened to visit her and passed on her details to BBB as the social worker was aware that the company specialises in the delivery of learnerships and training to people with disabilities whereby the learners also receive a monthly Income in the form of a student stipend.

BBB recruited Sarah for enrolment in a learnership programme for one of its clients.

On enrolment Sarah immediately became entitled to a monthly stipend (allowance) of R2 500 paid to her as a learner by the sponsoring company.

During the training and host employment experience, she also benefited from a nurturing environment in which she has blossomed into a confident young woman who is now capable of mastering the basics of a personal computer.

The stipend more than doubled the family's earnings by increasing income by a dramatic 150% over the welfare grant that was being paid.

The quantum improvement in the quality of life for Sarah and her family cannot be underestimated and can be replicated for many thousands of other young people just like Sarah through the skills development solutions offered by BBB.

APPENDIX C

STUDENTS HAVE THEIR SAY

"Learning to work with computers has made a lot of things easier for me. I can now do research and learn new things. Thank you very much for this opportunity."

- Lerato Dana

EUC teaches me about the different technologies and how I can use it. I feel that it has changed my life for the better. I want to say thank you for making it possible for me to learn more about computers.

- Yamkela Swilendawo

"EUC helps to better my knowledge. I also feel that I have more possibilities now and that working with computers can help me reach my goal in my future job. I want to say thank you for giving me a chance to better my computer knowledge."

- Thabang Magane

Learning EUC has helped me a lot. I can now use technology to better my knowledge. Thank you very much for making this possible for me.

- Soyilise Wellem

Learning EUC has made it easier for me to work with computers and make a better future for myself. I would like more Deaf people to learn EUC. I am very thankful for this opportunity

- Khanya Mboko

**EUC - End User Computing (A formal, SETA-approved computer literacy training programme that is extremely popular among learners with disability).*

