



Gestalt Growth Strategies (Pty) Ltd

RPA Centre, Top Floor, 116 – 5TH Avenue, Fariland. Ranburg.
PO Box 4425, Randburg, 2125, South Africa
Tel: +2711 482 9967|Fax: +2711 482 8041
info@gestaltconsult.com www.gestaltconsult.com
Reg no.: 2007 / 006306 / 07

PRESS RELEASE

Business losing BEE race against time on skill scores – Veri-Com

Date: 28 Oct 2015

Businesses nationwide are engaged in a desperate race against time to boost their skill development scores and maintain their empowerment profile. And these are the lucky ones who realise the race is on.

Most have not woken up to the fact that without well-structured skills programmes, BEE compliance is in jeopardy.

The skills alert comes from Deon Oberholzer, CEO of SANAS-accredited BEE verification agency, Veri-Com.

The impact will be particularly severe in the case of white-owned qualifying small enterprises (QSEs) as he says skills development is the least adopted scorecard element among these QSEs.

This was evident from a Veri-Com review of a sample of their database containing several thousand BEE certificates across all sectors. It was found that only about 1% of QSEs were compliant on skills development.

Says Oberholzer: “These companies start from a zero base and may find it near impossible to implement skills programmes that comply with the Amended Codes by the end of their current financial year. They could lose this race against time because of that legacy of neglect.”

Timing is tight as businesses will be verified for the first time on their compliance with the Amended Codes at the end of their current financial year – typically the end of December 2015 or February 2016. Getting a compliant skills programme in place by this deadline date has become the empowerment priority for companies determined to maintain their BEE status.



Gestalt Growth Strategies (Pty) Ltd

RPA Centre, Top Floor, 116 – 5TH Avenue, Fariland. Ranburg.
PO Box 4425, Randburg, 2125, South Africa
Tel: +2711 482 9967|Fax: +2711 482 8041
info@gestaltconsult.com www.gestaltconsult.com
Reg no.: 2007 / 006306 / 07

Your financial year determines the measurement period - and you are already in the year you will be assessed on! If your financial year ends December, the axe falls in a few weeks. If it's February, D-Day is just over 4 months away...some of which will be taken up by your holiday shut-down over New Year.

Skills development scores up to 30 points on the amended scorecard, one of the largest single elements on the BEE scorecard and five points more than the maximum tally for black ownership.

Veri-Com has responded by introducing a fast-track to optimum skill scores – its Skills Development Compliance Programme. The agency's empowerment professionals can structure a programme in weeks, enabling rapid rollout in time for the end of the current financial years of most companies.

Says Oberholzer: "Many firms can achieve 90% of the available points by spending 30% of the target training budget.

"This means the springboard to compliance can often be put in place at pace, given the right advice and appropriate interventions."

The key is the adoption of SETA-approved learnerships, internships and apprenticeships rather than ad-hoc training courses.

Training spend for BEE auditing purposes can be leveraged by rolling in the salary costs of interns and learners.

Furthermore, learnership investment can often be recouped through SETA grants, tax rebates and the youth subsidy.

In addition, bonus points accrue on the BEE scorecard by hiring a learner or intern on programme completion.

Oberholzer notes: "There's huge demand for skills development fast-tracking on this pattern, but it comes from a relatively small base of BEE-aware businesses. Many believe they don't need to do anything until next year. But without a functioning programme at the end of their current financial year, they have little chance of scoring skills development points.



Gestalt Growth Strategies (Pty) Ltd

RPA Centre, Top Floor, 116 – 5TH Avenue, Fariland. Randburg.
PO Box 4425, Randburg, 2125, South Africa
Tel: +2711 482 9967|Fax: +2711 482 8041
info@gestaltconsult.com www.gestaltconsult.com
Reg no.: 2007 / 006306 / 07

“The upshot could be non-compliance and the prospect of operating for at least a year without a BEE certificate. Consequences will be severe for many businesses.”

Ends
(556 words)

**FOR MEDIA-RELATED ENQUIRIES,
PLEASE CONTACT VERI-COM’S PR & COMMUNICATION AGENCY**

Glasshouse Communication Management

Jacqueline Wijtenburg

Tel: +27 11 646-9992

Mobile: 074 870 9608

email: jacqueline@ghcm.co.za

Website: www.glasshousecommunication.co.za