

The
**Employer
Association**
for the Contact Centre Sector



Employers Association Shared Services

Welcome to the launch of CCMG-EA's Broad Based Black Economic Empowerment "Shared Services Division".

This Department has been created to ensure that our members can rest easy and go-about their core business, while CCMG-EA builds and operates the machines in the background which are essential to keep you in the game, so that you achieve the best BBBEE level possible, because of this partnership we are asking you to trust in with CCMG-EA.

We realise that what BBBEE asks of you is foreign and often confusing and that is why, while it should not be your central focus of attention on a full-time basis, it should be ours, your Employer and Trade Association partners.

You will make the decision to become BBBEE Assessed and Verified, because of a real need, often linked to what your Customers are asking from you, to satisfy their own BBBEE requirements, or linked to opportunities to Tender and to increase your turnover, where the criteria are linked to your companies BBBEE Level. Where and when you make this decision, you can look to CCMG-EA to provide the right kind of Consulting Services from our CCMG-EA-Endorsed BBBEE Consultants, on the issue of preparing your company and submitting for a BBBEE Verification to a CCMG-EA-Endorsed Rating Partner. Our job as your trusted Employer Association is to quality assure every BBBEE Consultant and Rating Agency which we deploy amongst our Members.

Importantly, on the back of the Consulting Advice which you receive, we will customise and design a set of solutions for you around BBBEE "Shared Services" which CCMG-EA has created to assist you in obtaining the maximum score for each of the BBBEE Elements, against which your company will be assessed.

Two important BBBEE challenges which all companies face is not only being verified for the first time, but ensuring that when in 12 months' time you need to be re-verified you achieve the same or an improved BBBEE Level and do not drop below what is acceptable to your Customers and Clients. CCMG-EA as your

BBBEE Partner regards itself as your long-term partner ensuring the consistency and application you need as our Corporate Member from year-to-year.

When interacting with our CCMG-EA Consulting Division, you will discover that each of our BBBEE "Shared Services" is designed to assist your company in meeting the minimum 40% percentage of achievement on each specified BBBEE Element, assuring you that you are not penalised and forced to drop a Level as punishment. These minimum levels apply differently based on the turnover category you find yourself in whether it is as a Qualified Small Enterprise, or a Large Graded Entity.

CCMG-EA is there to walk you through this minefield safely and comfortably.

1. Nature of the Consulting Activities to be offered by CCMG-EA

a. Ownership

- i. Trust Formation Services
- ii. Trust Management Services
- iii. Trust Reporting Services
- iv. Management Board Facilitation Services
- v. Shareholder Board Facilitation Services

b. Management Development and Employment Equity

- i. Employment Equity Planning Facilitation
- ii. Employment Tax Incentive (ETI) Facilitation
- iii. Transformation Committee Facilitation Services

c. Skills Development

- i. Skills Development Facilitation (SDF) Services
- ii. Section 12H Facilitation
- iii. New Enterprise Development
- iv. Supplier Development
- v. BBBEE Verification

2. Shared Services

All are designed to prevent Clients from being penalised for not meeting minimum thresholds.

a. Ownership

26% CCMG-EA Group Trust Creation and Facilitation Shared Services

BOSS – Black Owned Share Scheme 51% (49/2/49) CCMG-EA Group Trust
Creation and Facilitation Shared Services

b. Management Participation:

Management Development, Group Training and Coaching, maximising both the percentage of Skills Development Spend permissible for Internal and Informal Training, (15% of 6% or as is proposed 25% of 3.5% of Payroll) as well as a combination of 2.1.1.1. and 2.1.1.2. spend indicated in the Skills Development Scorecard, of the new BBBEE Amendments being finalised at present.

c. Skills Development

Public versus Private Training Provision

Whereas the National Skills Development 3 Strategy encourages companies to prefer sourcing training services from Public Training Providers exclusively, CCMG-EA reserves the right to treat Public and Private Training Providers equally without discrimination and in managing the affairs of the CCMG-EA Skills Trust to foster a healthy supply-chain from both sectors of the Training Provider fraternity.

i. The Skills Development Trust

2.1.1.1. Compliance – Skills Development Spend

Encouraging companies to invest what will be 2.5% of the 3.5% of Payroll, directed to be spent in 2.1.1.1. in a Collective cross-sectoral Trust established by CCMG-EA.

CCMG-EA will encourage its Members to manage the balance of the 3.5% (or 1% of Payroll) paid as a Skills Levy, in a purposeful and directed fashion in accordance with the Skills Development Act and will offer Consulting Services such as SDF and Employment Equity Planning to its Members for this purpose.

The purpose of the CCMG-EA Skills Trust (2% of Payroll) is to ensure that the funding is firstly made available to CCMG-EA Members continuously throughout the year, for prescribed Grants on qualifying services, including Learnerships, Internships and Apprenticeships. This purpose is intent on ensuring that the economy-of-scale surplus benefits of those funds, not claimed or able to be utilised in-time by contributing companies, are deployed to designated beneficiaries where companies are not themselves able to spend those funds within the directed 12 months that they have to be spent in, to qualify as Skills Development spend.

Importantly the intention is to make 50% of the cumulative contributions paid by participating companies available to Members, which remains unclaimed

after 12 months, over an additional 12 months, or in-total a 24 month period rather than the prescribed 12 months determined by the BBBEE Scorecard. In-essence whereas companies are expected to show expenditure against this BBBEE Element every 12 months, by participating in the Skills Trust CCMG-EA will be able to extend access to the 50% of that funding that is unclaimed, by an additional 12 months while still providing contributing companies with Certificates of Compliance for every 12 month period. At the end of the 24 month period those unclaimed funds will be used for the economy-of-scale compliance programme established by the Skills Trust for compliance purposes.

Funding available from the Skills Trust will be made available to the following target applicants, namely Contributing Members first, then Endorsed and Recognised Training Providers, and then to Qualifying Associations for Group Training Purposes.

Categories of Special Project Grants will also be created by the Skills Trust for activities recognised, encouraged and legitimately permissible by the BBBEE Codes under 2.1.1.1.

2.1.1.2. Compliance – Higher Education and Training

This section of the BBBEE Amendments directs companies to spend 2.5% of Payroll on Higher Education Qualifications. CCMG-EA, in creating the Skills Trust intends to manage these funds collectively for its members in a manner intent on working with Endorsed Higher Education Training Providers who are able to implement meaningful programmes for CCMG-EA Membership designed to create accessible Labour Pools of Graduates appropriately trained, schooled and tracked, to make a contribution in the working world because of that education.

Eventually the CCMG-EA Skills Trust (NST) will encourage 2.1.1.1. claims for Learnership, Internship and Apprenticeship Grants from the NST to absorb 2.1.1.2. Graduates known and tracked to the NST as a matter of priority ensuring in the process that BBBEE Bonus Points are earned by CCMG-EA Members in so doing.

2.1.1.3. Compliance - Disability

The BBBEE Amendments direct that companies will need to spend 0.3% of Payroll to the benefit of Disabled Employee's. The CCMG-EA Skills Trust intends to create programmes directed towards satisfying this objective on-behalf of contributing companies both within our Member Companies specifically as well as on a Group Training basis. In this regard we envisage working with qualifying NGO's specialised in working with the Disabled Community and providing the necessary support services required to ensure a meaningful and productive workplace introduction, maintenance and progression.

d. New Enterprise, Supplier Development & Procurement

i. New Enterprise Incubation

CCMG-EA recognises that the BBBEE requirement that companies spend 1% of Net Profit After Tax (NPAT) on New Enterprise Development is often not considered by members as Core Business and also counter-productive on occasion.

Members question why they should be incubating their own competition?

What CCMG-EA intends to do is to create a special category of investment within the CCMG-EA Skills Trust designed to fund and foster the incubation of New Enterprises compatible with those companies contributing to this fund, not intended as competitors but instead to grow the value chain and enhance prospects of increased turnover and efficiencies generally. Contributing companies will receive Compliance Certificates from the Skills Trust, knowing that their funding has been wisely spent and with the intention of making a significant positive impact rather than just for compliance purposes. Contributing CCMG-EA Members will have the first option of nominating New Enterprise Beneficiaries for these incentives.

ii. Supplier Development

The BBBEE Codes prescribe that companies will have to evidence the spending of 2% of NPAT on Supplier Development. It is CCMG-EA's objective to offer a significant range of Supplier Development Activities designed to satisfy this requirement while at the same time relieving CCMG-EA Members of the responsibility of establishing and maintaining this activity as non-core business. Included in these Shared Services will be the facilitation by CCMG-EA of Supplier Agreements designed to satisfy BBBEE Code Compliance.

iii. Procurement Registration and Certification Services

Due to the scale of this BBBEE requirement, and the immediacy of its relevance, where in some cases companies have in-excess of 100 Suppliers who need to be processed and vetted for compliance purposes, CCMG-EA intends offering Procurement Registration and Certification as its first Shared Service to CCMG-EA Members.

In-essence CCMG-EA Members will be able to refer Suppliers to the CCMG-EA Supplier Services Centre for Registration, Remediation and Certification and will have access to a real-time report for verification and compliance purposes.

The purpose of creating this new Consulting and Shared Services division of CCMG-EA is to further be of-service in guiding our Members through the Legislative and Compliance requirements in doing business in South Africa while Maximising the benefits to be derived from the opportunities being created. Our objective is simple – allow you to focus on Core Business while trusting NEAS to take care of your common and shared social responsibilities and obligations.