



# PRODUCTIVITY SA PRODUCTS AND SERVICES

MR MATTHEWS MOATLI  
ACTING SENIOR MANAGER COMPETITIVENESS  
IMPROVEMENT SERVICED  
REGION 1 (GAUTENG, LIMPOPO & NORTHWEST)



# OUTLINE

Productivity SA Mandate, Governance and Executive Structure

Productivity SA Vision, Mission and Value Proposition

Key Functions of Productivity SA

Productivity SA Enterprise Support Programmes, and Our focus areas

Strategic Partnership Model

Key Programme Outcomes



# PRODUCTIVITY SA MANDATE

Productivity SA is a Schedule 3A Public Entity of the Department of Employment and Labour with the **mandate** to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness

## VISION

To lead and inspire a productive and competitive South Africa

## MISSION

To improve productivity by diagnosing, advising, implementing, monitoring and evaluating solutions aimed at improving South Africa's sustainable growth, development and employment through increase competitiveness

## VALUE PROPOSITION

Provide Productivity and Competitiveness Improvement Solutions to enhance the productivity and operational efficiency of enterprises throughout the business lifecycle to accelerate the creation of wealth and decent work.

### COUNTRY

Constitution, NDP,  
MTSF, Competitiveness  
Indices (eg IMD and  
WEF)

### INDUSTRY

Sector Master Plans,  
Productivity Statistics,  
Sector Studies

### ENTERPRISE LEVEL

Competitiveness  
Improvement Solutions  
(CIS) and Business  
Turnaround and  
Recovery (BT &R)

# REGIONAL FOOTPRINT

## REGION 1

Gauteng, North West,  
Limpopo

Office: Midrand

- International Business Gateway  
Cnr. New Road and Sixth Roads, Midrand,  
Tel: 011 848 5300

### Region 1

#### Executive Manager

Ms Lalane Janse van Rensburg



## REGION 2

Western Cape, Free State,  
Northern Cape

Office: Cape Town

- Suite 202, 2<sup>nd</sup> Floor
- Edward III Building, 70 Edward Street
- Bellville
- Tel: 021 910 1591

### Region 2

Executive Manager:  
Mr Philiswa Mnguni



## REGION 3

KwaZulu Natal, Eastern  
Cape, Mpumalanga

Office: eThekweni/Durban

- Suite 201, Cowey Park
- 91-123 Cowey Road
- Essenwood
- Tel: 031 268 9770

### Region 3

Acting Executive  
Manager: Mr Phila Ncobo



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# PRODUCTIVITY SA FUNCTIONS

## The Functions to S32 of the Employment Services Act

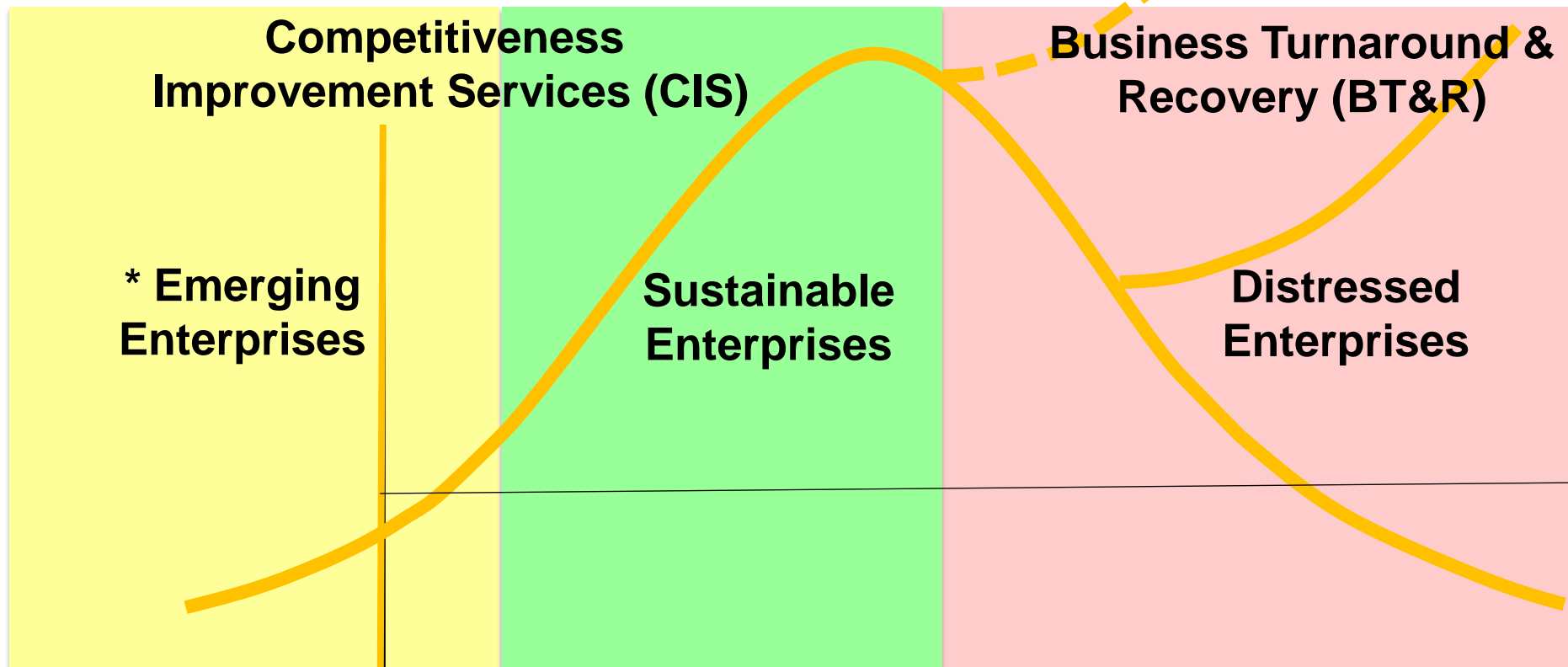
- a) To promote a culture of productivity in the workplace
- b) To facilitate and evaluate productivity improvement and competencies in workplaces;
- c) To support initiatives aimed at preventing job losses
  
- d) To measure and evaluate productivity in the workplace
- e) To maintain a database of productivity & competitiveness systems & publicise these systems
- f) To undertake productivity-related research.

- **Enterprise Competitiveness and Sustainability. The Competitiveness Improvement Services (CIS) Programme** provides support to enterprises to improve their competitiveness and sustainability to preserve current jobs and create new decent jobs. The Programme further support South Africa's strategic objectives in scaling up efforts to promote long term industrialisation and transformation of the economy targeting enterprises of all sizes within the priority productive sectors.
- **Prevent job losses. The Business Turnaround and Recovery Programme** provides Turnaround Strategies and Plans to restructure and improve the productivity and operational efficiency of companies facing economic distress to save jobs or minimise the retrenchment of employees.

- **Research, Innovation and Statistics (RIS Programme).** Providing productivity and competitiveness related value-added information and statistics, best practices and systems through research activities and databases

The programmes are designed to promote productivity holistically culture and mind-set as well as driving accountability for productivity performance across sectors (national, sector and enterprise level) and segments of society.

# PRODUCTIVITY SA ENTERPRISE SUPPORT PROGRAMMES



**\* Businesses to be assisted should meet the following criteria:**

- Operational (Proof of transactions such as invoices & orders)
- Regulatory compliance
- Financials
- Operating premises



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# **ENTERPRISE DEVELOPMENT & SUPPORT PROGRAMMES**

- 1. Competitiveness Improvement Services (CIS)**
- 2. Business Turnaround and Recovery (BT&R)**
- 3. Research, Innovation and Statistics (RIS)**



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# I. COMPETITIVENESS IMPROVEMENT SERVICES (CIS)

AIMS TO:

- Enhance the capacities of SMMEs and Co-operatives to adopt world-class productivity enhancement best practices
- Targets priority productive sectors with strong growth and employment multipliers, with a focus on the township and rural economies.
- Contribute to the creation of productive employment and decent work by improving the competitiveness and sustainability of enterprises.
- Prioritise the participation of historically disadvantaged people and regions in the economy and thereby support meaningful BBBEE



# CIS FOCUS AREAS: ENTERPRISE COMPETITIVENESS & SUSTAINABILITY

## EMERGING SECTOR – SMALL AND MICRO ENTERPRISES

- Capacity Building/Training programmes and solutions, including Business Performance Improvement (BPI), **Early Warning Systems (EWS)** and **Productivity Champion Training (see slide 9)**
- Promoting a productivity culture and mind-set as well as driving accountability for productivity performance across sectors (national, sector and enterprise level) and segments of society.

## STABLE BUSINESSES: SMALL, MEDIUM AND LARGE/CORP ENTERPRISES

### **KAIZEN (SLIDE 11-14) AND WORKPLACE TRANSFORMATION (SLIDE 14-21)**

- Focusses on creating a culture of Continuous improvement within enterprises
- Develops and improves workplace collaboration between management and workers
- Implement strategies for best practice: Leadership that fosters teamwork, participation, continuous learning, innovation and flexibility by involving those on the shop floor in the improvement of company performance; Simultaneous effort to improve quality, speed, cost, safety and morale.

Facilitates network/sharing through Clustering of enterprises.

# Capacity Building Workshops Emerging: Small/Micro

COURSE NAME	DESCRIPTION	WHO SHOULD ATTEND	OUTCOMES
<b>Productivity Awareness Programme (PAP)</b>	To increase employee cooperation and participation ( ½ -1 Day)	Non-management staff	<ul style="list-style-type: none"> <li>• What is Productivity?</li> <li>• How to Measure productivity?</li> <li>• How productivity can be improved and their role in its enhancement.</li> </ul>
<b>Business Start-Up Workshop/ Business Revitalisation Workshop</b>	To increase employee cooperation and participation (3 days)	A business start-up and or existing business	<ul style="list-style-type: none"> <li>• Demonstrate an understanding of productivity</li> <li>• Define entrepreneurship, and identify the characteristics of a successful entrepreneur</li> <li>• Demonstrate an understanding of Operationalising the Business Plan.</li> <li>• implementation of Action Plans</li> </ul>
<b>Business Performance Improvement Workshops (BPIW)</b>	To assist SMMEs and cooperatives to implement systems and procedures in their businesses. (3 days)	Emerging Entrepreneurs	<p>Improved profitability, growth and employment creation within the SMME sector through</p> <ul style="list-style-type: none"> <li>• Wastage elimination</li> <li>• Increased sales and maximised profits</li> <li>• Reduced operational costs through speed and quality improvement.</li> <li>• Create an Early warning system (EWS)</li> </ul>

# KAIZEN PROGRAMME: CRITERIA



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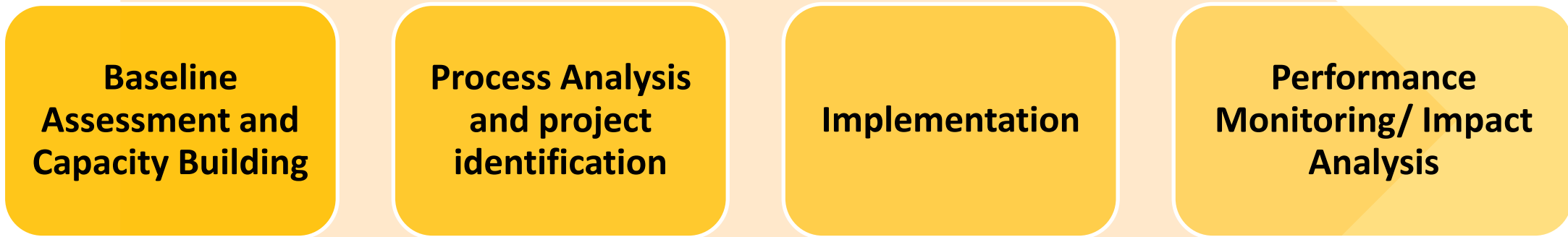
- The target audience are Small and Medium Enterprises
- Emerging minimum 5 employees and stable 15 or more permanent employees
- The enterprises are classified as emerging or stable enterprises according to the business life cycle
- The enterprises prioritised from manufacturing, agriculture and agro-processing sectors
- The enterprises have physical premises and
- Operational for at least two years.

# Objectives

- To introduce the key concepts and tools of Kaizen
- Identify Kaizen Champions and Capacitate the Champions with tools
- To create active participation
- To facilitate problem solving techniques aimed at improving Key Performance Indicators such as Cost, Quality, Speed, Delivery, Morale and Safety
- Define key activities to drive continuous improvement.

# Kaizen Programme Overview

## 4-6month Programme



**Kaizen Champions:**  
Capacity building

- Waste Elimination
- Train leaders on the Kaizen tools

- Map the process and Identify projects
- Create action plan and target dates

Implementing identified improvement initiatives

- Tracking performance
- Ensuring Sustainability

Capacity Buildinga	Report	Report	Report
Register, initial baseline report	Process Analysis and Action Plan	Implementation activities - Site visit reports	Impact Analysis, Kaizen Champions certification and Close Out

# Outcomes

- Improve quality, productivity, delivery, eliminate waste and reduce cost
- Encourage progressive mindsets amongst managers and workers
- Empower team members to innovate
- Builds teamwork and enhances communication
- Creates an organisation that continuously improves and
- Create a safe and decent work environment.



# Workplace Challenge Programme (WPC)

It is a **dtic** supply-side programme managed by Productivity SA, to assist South African organisations to enhance productivity and competitiveness

## Through:

- Improving workplace relations,
- Implementing world class practices/ Best Operating Practices (BOP)
- Sharing and disseminating experiences.

# Objectives



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# Programme Criteria

- The target audience are Small and Medium Enterprises
- Ideally, more than 15 permanent employees
- The enterprises are classified as stable enterprises according to the business life cycle
- The enterprises prioritised from manufacturing, agriculture and agro-processing sectors
- The enterprises have physical premises and
- Operational for at least two years.

# What Do We Mean By “Best Operating Practices”?

The key strategies of best practice organisations include:

- Implementing leadership practices that promote teamwork, participation, continuous learning and flexibility
- Focusing on simultaneous improvement of quality, speed/delivery; cost and morale
- Establishing close links with customers and suppliers
- Driving both linear and non-linear improvement initiatives
- Eliminating all forms of waste and making value flow.

Following Womack, James P. & Daniel T. Jones (1996) *Lean Thinking: Banish Waste and Create Wealth in Your Corporation*, Simon & Schuster



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# Workplace Transformation Toolkit Management System

## Workplace Transformation Toolkit Management System

- 1 World Class Competitiveness
- 2 Overview of the Workplace Transformation Toolkit
- 3 Planning and Implementation Methodology
- 4 Roles and Responsibilities for Successful Implementation
- 5 Benchmarking and Progress Review

# Workplace Transformation Toolkit: Foundation Toolkits (6 -12months)

## Toolkit 1: Goal Alignment

- Align goals top down and bottom up
- Engage employees in the organisation through the mini-business concept
- Implement visual performance management of Quality, Speed, Cost & Morale
- Create an environment for problem solving, innovations and continuous improvement.

## Toolkit 2: Cleaning and Organising

- Makes work easier
- Energises teams
- Improves the physical environment
- Improves productivity by reducing wasteful activities such as searching
- Gets teams thinking about improving processes and efficient workplace layouts



# Workplace Transformation Toolkit: Supported Toolkits

## Toolkit 3: Teamwork

- Creating a learning environment for skills enhancement
- Build a competent multi-skilled and versatile team
- Integrating performance management focused on the achievement of organisational goals

## Toolkit 4: Leadership

Strengthening leadership skills that go beyond management skills.

- Coaching team members
- Motivating the team
- Empowering the team
- Managing change.

# Company Outcomes

- Goals Developed and Communicated to all
- Self-managed teams developed (MBUs)
- People take responsibility of their own accord
- Innovation part of organisations culture
- Improved relationships from all stake holders
- Sense of belonging to the organisation
- Problem solving culture.



# 2. BUSINESS TURNAROUND AND RECOVERY (BT&R) PROGRAMME

## BT&R Vision

To save jobs and create conditions conducive for job retention and job creation.

## Intent

To provide non-financial assistance to different organisations and companies to increase productivity, profitability, and service, as well as to save and retain existing jobs.

**The Declaration of the Presidential Jobs Summit (October 1998) outlined a Turnaround Solutions Programme (now called Business Turnaround and Recovery) that aims to prevent job losses or a decline in employment. Supported by recent 2018 Job Summit and are aligned to the economic reconstructing and recovery plan and UIA s5(d) as amended**

## Assist

The programme seeks to assist:

- The potential applicant in financial and/or operational distress and/or decline.
- There must be a reasonable prospect to turn the company around

## Inspire

Seeks to inspire enterprises to be more vigilant about issues relating to job retention to mitigate on-time performance/productivity decline that increases the likelihood of job losses.

# Business Turnaround and Recovery (BT&R)

- Implementing turn-around strategies and plans to restructure and improve the business's efficiencies and productivity = sustainable, competitive and create conditions conducive for job retention and creation.
- Sustain existing jobs as a proactive solution by identifying inefficiencies and solutions to ensure improved efficiencies and job retention
- Establish and capacitate Future Forums (Enterprise-Based Productivity Forums) and training their members to establish early warning systems (EWS) and to manage enterprise problems proactively.



# BT & R Minimum Requirements

- Currently contributing to the UIF(unemployment insurance fund)
- Tax clearance
- Two years in operations
- Two years financial statement (audited or independently reviewed financial)
- Financial distress and/or decline as is confirmed by a financial assessment
- Physical premises

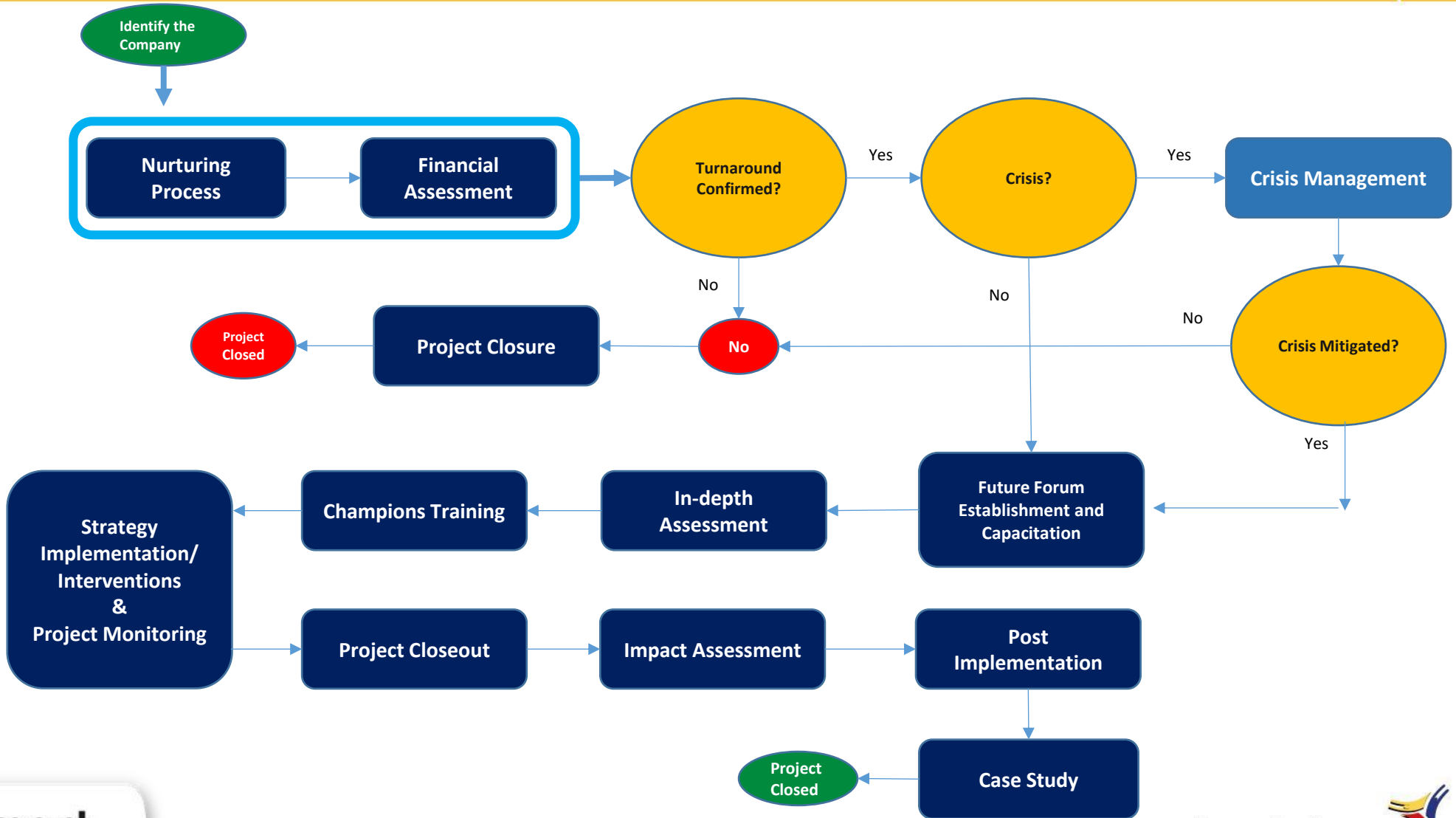
## Documentation to be submitted:

- Tax clearance
- Confirmation of UIF contribution as per the applicants payroll(verifying payment and number employed)
- Financial statements for at least two financial years
- Signed application form, and nurturing report



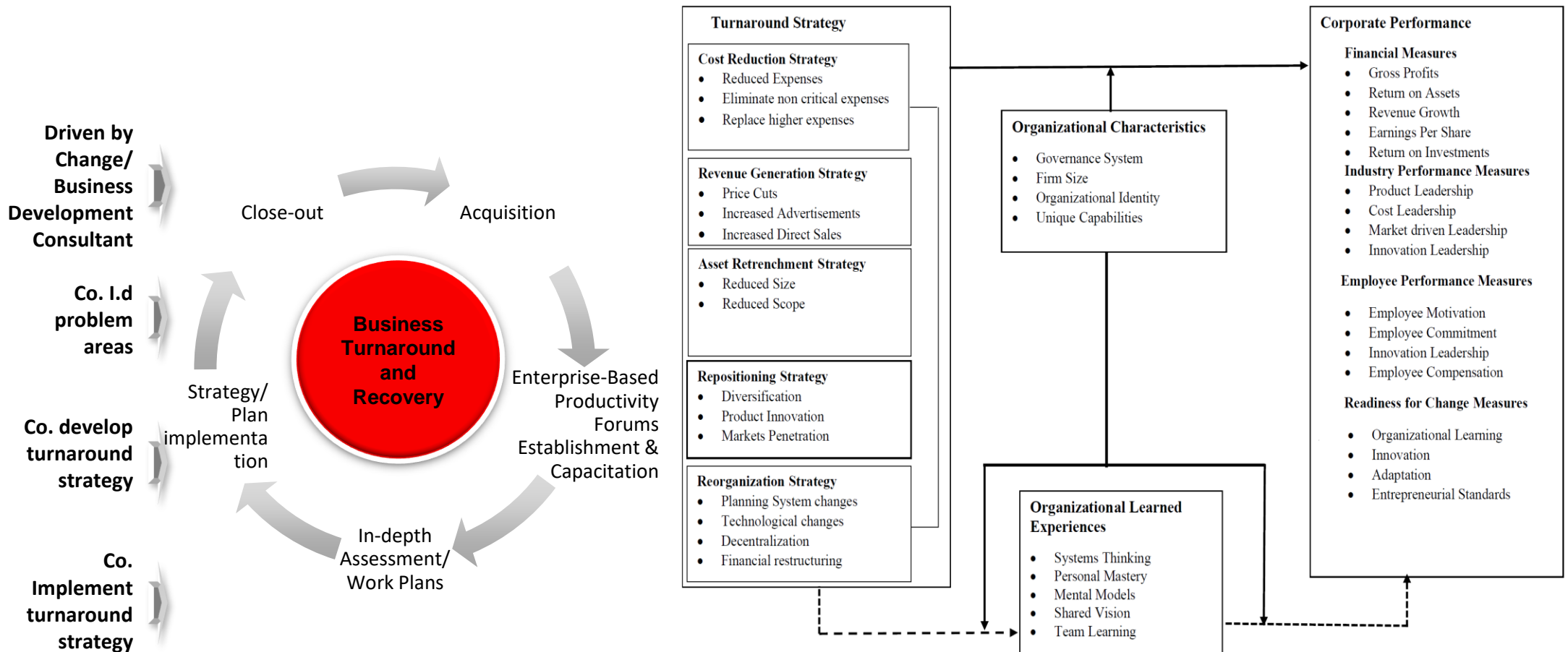
# BT & R Process Flow

Timeframe from beginning to end is a maximum of 12 Months.  
 Timeframe from the workplan approval to closeout is a maximum of 9 months.





# Turnaround & Recovery Strategies



NDP MTSF Priorities

ERRP

Re-imagined Industrial Policy

Minister Performance Agreement

District Development Model



# 3. RESEARCH, INNOVATION AND STATISTICS (RIS)

## Aims to:

- Measure and evaluate productivity and competitiveness holistically across all levels – macro, sector, and micro.
- Develop and maintain databases and best practice productivity and competitiveness systems, Business Model Innovation and Products and Services Innovation to improve quality and access to services
- Undertake and publicises Productivity related Research and Statistics



## Statistics

Productivity Statistics

IMD Competitiveness Report



## Research

Sector Studies

Economic Research

# Target Market

- Businesses, with a focus on SMMEs (both formal and informal) in the productive/Industrial sectors of the economy which are Labour Intensive.
- Prioritise the participation of historically disadvantaged people and regions-supporting meaningful BBBEE
- Our Customer segments are:
  - ✓ businesses in economic distress
  - ✓ start-ups
  - ✓ Stable businesses
- Programme interventions are linked to the Sector Master Plans (SMPs) and the District Development Model (DDM)

# Priority Sectors



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## Sector 1: Industrial Sector:

- Automotive
- Clothing Textile Leather and Footwear
- Gas Chemicals and Plastics
- Renewables/Green Economy
- Steel and Metal Fabrication

## Sector 2: Agriculture and Agro-processing

## Sector 3: Mining: Minerals and Beneficiation

## Sector 4: Tourism

## Sector 5: High Tech Sectors/Knowledge based:

- Digital Economy, ICT and Software Production, Digital Economy, Health Economy, Defence Economy

## Sector 6: Oceans Economy

# PARTNERSHIP ENGAGEMENT MODEL

Scoping

Determine baseline

Design proposal/indicate cost sharing/benefits

Sign agreement/MOU/Implementation plan

Phased approach/early warning methodology

Showcase outcome/lessons learned

Customised Solutions

## CONTACT DETAILS



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