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BUSINESS TURNAROUND & RECOVERY PROGRAMME

productivitysa
Inspiring a Competitive South Africa

BUSINESS TURNAROUND & RECOVERY PROGRAMME

INTRODUCTION TO PRODUCTIVITY SA

Productivity SA is a Schedule 3A Public Entity of the Department of Employment and Labour. It is established in terms of Section 31 (1) of the Employment Services Act, No. 4 of 2014 as a juristic person with a mandate to promote employment growth and productivity. Productivity SA is responsible for fulfilling an economic or social mandate of government, which is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness.

BUSINESS TURNAROUND & RECOVERY PROGRAMME:

The Business Turnaround and Recovery Programme (BT&R) has its origin in the Declaration of the Presidential Jobs' Summit in October 1998. Its mandate is derived from the Employment Services Act with specific relevance to Section 32c which is to *'Support initiatives aimed at preventing job losses'* and furthermore empowered through Section 5 of the Unemployment Insurance Act.

The BT&R vision is ***'To save jobs and create conditions conducive for job retention and job creation'***. BT&R capacitates and enables companies and employees to be more vigilant about issues relating to job retention and to mitigate against poor performance or productivity decline that increases the likelihood of job losses.

The programme capacitates employees to be *agents of change* and to be equipped to identify early- warning signs. The programme is intended to provide non-financial assistance to different organisations across all sectors; facing financial and or operational distress with a focus on increasing productivity, profitability, and services, as well as to save and retain existing jobs.

Criteria

The following criteria is applicable for companies wishing to participate in the programme:

- ◇ Registered entity and must be in operation for at least 2 years;
- ◇ Have physical premises where business processes take place;
- ◇ Confirmation of UIF contribution (Populated excel template) and proof of the number of employees registered for UIF payment (UI 19 or SARS EMP 201);
- ◇ Have a valid tax clearance certificate (Valid tax pin); and
- ◇ Have the latest 2 years' audited financials or independently reviewed management accounts proving the decline/distress of the business and its potential to turn-around.

Instruments

- ◇ Funded by UIF/DEL;
- ◇ Qualifying enterprises are funded 100% for non-financial services;
- ◇ The duration of the programme is approximately 9 – 12 months;
- ◇ Roles are allocated and agreed strategies are implemented in the declining organisation to reverse the challenges experienced;
- ◇ Implement the planned strategy and achieve a successful turnaround;
- ◇ Ensure the company's ability to continuously improve productivity and competitiveness and to collaborate on job security; and
- ◇ Ensure the company has clear strategies for exploiting opportunities and future investments.

Pricing

Pricing for the turnaround is based on the size of the enterprise, the challenges experienced, and time spent on the enterprise. Below is the guideline used:

- ◇ Small (average of 20 employees) R282 800 per enterprise;
- ◇ Medium (average of 50 employees) R453 800 per enterprise; and
- ◇ Large (average of 80 employees) R624 800 per enterprise.