

### **SGT makes the right BBBEE moves**

*Saab Grintek Technologies (SGT) has managed to improve its BBBEE standing in 2010 by achieving a level 3 certification, after having achieved a level 4 BBBEE rating in 2009.*

Following a Broad-based Black Economic Empowerment (BBBEE) verification process that commenced in 2009 and saw SGT achieve 70 points (level 4) on its scorecard, the telecommunications company recently improved its score to 77 points for its 2010 assessment.

After attaining the initial 70 points, SGT planned to focus on ensuring that it improved – if not maintained – that score. The challenges faced by SGT in early 2010 however, diverted attentions from the accreditation process to the restructuring that was happening within the company. The business re-focused efforts on its scorecard in May, seeking the services of Siyakha Consulting to analyse, in conjunction with SGT, the available raw data and to compile the presentation for AQRate, the verification agency.

“We achieved 74 points during our initial 2010 verification report done by Siyakha, one point short of changing our scorecard rating”, explains Casper Erasmus, SGT’s acting Chief Operations Officer. “When these results were audited, it was realised by AQRate that the classification of some of our staff members had not been allocated accurately along with our internship programme. This rectification increased our points to 77 – a level three on the BBBEE scorecard.

Erasmus believes that although no conscious effort of note had been made by the business to getting its rating from 70 to 77 points, the momentum and mindset that had been created during the first assessment had continued unnoticed. “It is clear that a mindset change towards procurement, training and employment had taken place in 2009 already, hence our continued improvement. BBBEE has become more operational at SGT and is not just something we do to gain points. The reclassification of data in certain categories, within the ambit of the BEE act and the Codes of Good Practise, also assisted SGT to improve its score”

The BBBEE scorecard works on a measurement system that requires companies seeking to qualify for accreditation to implement measurable effort into seven different areas of measurement, known as pillars. Although two of the pillars are controlled at holding company level and can therefore not be directly influenced on an operational level, in SGT’s case however the remaining five can and were influenced. SGT achieved a commendable 100% for both the Social Upliftment and Enterprise Development pillars and 99% for the Procurement pillar. Going forward, SGT will focus on retaining the current momentum and strategise with Siyakha Consulting on how to improve the points in pillars that still present opportunity for growth namely; Employment Equity and Skills Development.

“Attaining this accreditation will not only benefit SGT, but our customers and partners as well. By doing business with us, customers will be able to claim 110% of their SGT procurement costs for their own scorecards and strengthen their BBBEE profiles in the process. Our OEMs (original equipment manufacturers) will also be afforded the best opportunity to be successful, with their product sales, through a channel that will enhance their position in the tender and procurement processes in the SA market. Very important also is the benefit that this accreditation offers our own staff who can now see that we are truly a dynamic organisation that also achieves its goals,” concludes Erasmus.