



Government of Botswana



European Union

PRIVATE SECTOR DEVELOPMENT PROGRAMME BOTSWANA

A Government of Botswana initiative supported by the European Union and the Centre for the Development of Enterprise

Individual Coaching in Management for SMMEs

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Draft Final report

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1. INTRODUCTION

The Private Sector Development Programme (PSDP) is a government initiative developed in partnership with the Ministry of Trade and Industry, European Union and the Centre for Development of Enterprise (CDE) in order to contribute to economic growth, employment creation and diversification of the economy. As part of this programme, Econo Markets Consultancy (Pty) Ltd was engaged to provide a mentorship programme to twenty (20) companies who had been earlier assessed to identify their strengths and weaknesses. The diagnostic analysis conducted had identified a number of gaps in the various businesses and Econo Markets Consultancy's role was to assist the companies to develop action plans aimed at addressing these gaps. This documents provides a report on the assistance provided to the companies and progress made to date.

2. OBJECTIVES OF THE MISSION

The main objective of the programme was to encourage and support small businesses to implement recommendations from the Diagnostic Analysis that was undertaken on the companies in 2012.

3. SUPPORT PROVIDED

A number of interventions were developed for the companies. The interventions were specific to the individual company needs and as per the prioritisation agreed with the companies at the beginning of the assignment. The prioritisation was based on the status of the business operation, the Diagnostic Report recommendations and Action Plans developed by prior experts. For most of the companies, the support was mainly within the following categories:

- Supporting business in financial management and costing;
- Supporting business to aggressively improve their marketing and sales strategies and pursue new markets in order to grow revenues;
- Guiding companies through the development and documentation of business processes and procedures in order to improve efficiencies;
- Supporting the company in issues relating to generating new business opportunities, segmenting markets and exploring regional markets;
- Supporting companies to develop business plan to guide their businesses and develop new innovative products for existing and new markets; and
- Supporting management teams to effectively drive performance through setting strategic objectives and goals.

4. RESULTS/OUTCOME OF THE MISSION

A brief report on each of the companies is presented below. A score board summarizing progress made on each of the companies is also presented.

4.1 SCOREBOARD

Company	Priority	Deadline	Status		Comments
Wild Fruits		15/08/15	No progress		The company only honoured one meeting. However, they have indicated that they are still interested in the mentorship programme going forward.
Techno Feeds		15/08/15	Progress made		Interventions went well and progress has been made.
UKA Energy		15/08/15	No progress		The project has not started operations yet due to lack of funds and technical expertise.
Intec Solutions t/a Agri feed		15/08/15	Progress made		The rate of implementation of the action plan was slower than expected.
ICT Dynamix		15/08/15	Progress made		Interventions went well.
Moonstone Capital (Pty) Ltd		15/08/15	Dropped		The company was dropped as they were not responding to emails and calls.
ICL Botswana		15/08/15	Progress made		Interventions went well.
Gabs Bedding		15/08/15	Progress made		The company has engaged external consultants to deal with the major issue of costing, they are cooperative and interventions went well.
Clover Chemicals		15/08/15	Progress slow		Progress is slow. Only one Manager is committed to the program.
SDM Holdings		15/08/15	Progress		The company has already made substantial progress in implementing recommendations. As a result, visits to the company were minimised.
Creations of Africa		15/08/15	Progress made		Interventions went well.
Cally Clothing		15/08/15	Progress made		Interventions went well.
Zulwini (Pty) Ltd t/a Art Cultural Centre		15/08/15	No progress		The company does not have the capacity and probably capability to implement action plans.
Target Meat Industries		15/08/15	No progress		The company is under Provisional Management.
Bo Inter Trading		15/08/15	Progress made		Interventions went well.
Sebube		15/08/15	No progress		The company's major interest was in securing grant funding.
Lithoflex (Pty) Ltd		15/08/15	Progress made		Interventions went well.
Power Engineering		15/08/15	No progress		Not much progress made.
Sernin (Pty) Ltd		15/08/15	Dropped		The company was dropped after first meeting.
Scotchfield (pty) Ltd		15/08/15	Progress made		Interventions went well.

On time

In progress

Late

High importance

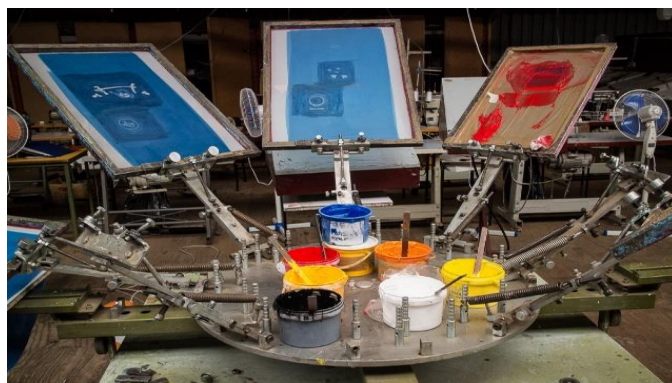
Important

Second level importance

Achieved

4.2 Creations of Africa

Sector	Manufacturing
Contact Person	Michelle Erasmus
Level of employment	25
Annual turnover (BWP) 2014	2.4 million
Financial year end	December
Annual turnover – previous year 2013	
	1.2 million



Priority Areas identified at beginning of assignment

- Development of processes and procedures (procurement, inventory management, sales, finance, production)
- Sales Team mentoring
- Cost Calculation and financial analysis
- Machinery maintenance

Progress achieved.

Areas of intervention	Progress
Sales Team mentoring	A monthly target of P50 000.00 has been set for each of the 5 sales representative. However, the sales team has not been able to meet this target for some time. Coaching services were provided to 4 of the 5 sales representatives. The team was requested to engage in intensive marketing and management was encouraged to take action when team members were to meeting their targets. The team struggled for the first two months but on the third month, 3 of the 4 sales representatives almost doubled their targets each. By the beginning of the fourth month, one of the representatives achieved almost 6 times their targets. The team was encouraged to keep working hard to meet their target even after the mentorship programme came to an end. The company was also assisted to improve their promotional brochure in order to support the marketing initiative.
Cost calculation and financial analysis	The company was encouraged to produce monthly management accounts in order to assess the performance of the company on a month to month. The company engaged the services of a part-time accountant who was able to develop monthly accounts from January 2015. With these management accounts, the company was able to determine the performance of the company (for 4 of the 6 months up to June, the company had actually made losses and by June 2015, they had cumulative losses of P200, 000). Through an analysis of the financials, the company was also able to establish breakeven point sales, which now helps them assess their performance continuously. Since the sales revenue has started improving, the company is now focusing on reducing the accumulated loss and ensuring minimum break even sales revenue going forward.
Development of processes and procedures	The company was assisted to develop sales processes and procedures. They have been requested to use the same methodology to develop the rest of the procedures (inventory management, procurement, finance and production).

	The sales procedure were developed with the whole sales team and this helped in harmonising their understanding of processes and procedures.
Machinery maintenance	The company has since serviced their equipment and looking at expanding production.
Production statistics	The company is now able to extract and keep record of production statistics from the machinery. By analysing this information, the company was able to identify a number of deficiencies such as idle time and the production team is working to close the gaps.

4.3 Lithoflex Inks

Sector	Manufacturing
Contact Person	Pelonomi Bantsi
Level of employment	6
Annual turnover (BWP)	
Financial year end	December
Annual turnover – previous year 2013	600,000.00

Priority Areas identified at beginning of assignment

- To engage MTI, EDD office to have clarity on support for manufacturing businesses.
- To develop and document processes and procedures
- To develop and implement a marketing and sales plan.
- Implement a quality management system
- BOBs certification

Progress achieved.

Areas of intervention	Progress
To engage EDD for market support	Meetings have been held with the EDD office (Ministry of Trade and Industry) to solicit their support for the project through the Economic Diversification Drive. Meetings have also been held with Government Printers, who are the largest consumers of ink on the Government side. Progress has been made with Government printers, they need assurance on product quality to be able to support the company through the EDD programme. It must be noted that an ink expert that was assigned to the company by CDE had tested the ink produced and concluded that the ink was of the right quality. However, the company has been encouraged to certify individual products with BOBs in order to deal with the quality issue. Engagements have also been held with BITC to secure a factory shell for the company. It is expected that the company will be offered a factory shell in the next coming weeks. This would go a long way in assisting the company to improve the plant layout, perfect their production processes and procedures and be able to certify their products with BOBs.
Processes and procedures	The company was assisted to develop sales and marketing processes and procedures and to also segment their market. The company has been encouraged to use the methodology to develop and map other processes and procedures.

BOBs certification and quality management system	Once the company moves to the new factory shell, they will start the process of certifying their individual products. This is critical in regaining the Government market through the EDD programme. The quality management system will be achieved through the certification. The company is also considering ISO certification.
Sales and marketing strategy	The company has been encouraged to develop a sales and marketing plan. In the meantime, the company was assisted to segment their market and to start aggressively marketing their products.

4.4 Clover Chemicals

Sector	Manufacturing
Contact Person	Thembani Moyo
Level of employment	23
Annual turnover (BWP)	
Financial year end	September
Annual turnover previous year	20 million



Priority Areas identified at beginning of assignment

1. ISO Certification (including development of processes and procedures)
2. Business Plan and operationalising the proposed production plant
3. Cost Calculation

Progress achieved.

Areas of intervention	Progress
Business Plan and production plant	The main objective was to separate the production plant from the sales shop in order to improve efficiencies and be able to run each as a separate profitable Unit. The company has hired a very experienced Production Manager who is now responsible for the production plant. In order to improve the production facility and add more products to the production line, the company decided to refurbish the plant and add more equipment. The company was advised to produce a business plan that would guide the refurbishment and guide the operations of the plant going forward, particularly in terms of sales and costing. The company was also advised develop processes and procedures and work closely with BOBs to certify their products and plant. The refurbishment of the plant has started and is expected to be completed in September 2015. A draft business plan was produced but without the financials as the Finance Manager was not cooperative. This means that the company is already spending on the production plant without guidance on the costing and projected financial performance of the plant.
ISO Certification	Not much progress was achieved on the development of processes and procedures. Only 1 Manager is committed to the programme and therefore it was very difficult to move ahead with the action plan as agreed at the beginning of the assignment.

Cost calculation	The company still faces a major problem of cost calculation. They still use a pricing model that was reviewed two years ago. The Finance Manager is reluctant on the review of the pricing model even though it is clearly posing a challenge to the Sales team. The company has been urged to review their pricing model, even if it is for purposes of validation.
Financial Management	Even though the company has a full time Finance Manager, they still do not produce timely management accounts to enable the business to effectively assess their financial performance.
Re-branding of the business	The company has identified the need to re-brand from Clover chemicals because the business has grown beyond chemical products. Some initial work has been done and a few re-branding ideas discussed with Management. The re-branding work will be completed once the production plant is operational.

4.5 Gabs Bedding

Sector	Manufacturing
Contact Person	Ray Morgan
Level of employment	200
Annual turnover (BWP) 2015	55 million
Financial year end	June
Annual turnover – previous year 2014	42 million



Priority Areas identified at beginning of assignment

- The company should register with PPADB
- Econo Markets to organise a meeting with Ministry of Trade and Industry (MTI) officials to discuss benefits pertaining to EDD
- Econo Markets to organise a visit to the factory for MTI Management
- Econo Markets to facilitate for a meeting with Botswana Railways Management to address pollution problem.
- To check with BITC on the availability of land for expansion (special economic zone)

Progress achieved.

Areas of intervention	Progress
EDD benefits	Meetings were held with the Ministry of Trade and Industry and the company was given advice on how to penetrate the local market. The company has also been advised to register with the EDD. A request for a factory visit by Ministry of Trade and Industry Management has also been made to the Ministry. Still awaiting feedback.
Quality issues resulting from Botswana Railways dust pollution	The dust from the Botswana Railways loading site is a major issue for the company as it affects products, especially beds and sofas. Interventions have been held with Botswana Railways management, who are now exploring how best to assist the company. The company needs urgent continued assistance in this regards as their talks with Botswana Railways over the years have not borne fruit.

Availability of expansion land	The company intends to expand their business to include a foam production plant but they are constrained by space. BITC is not able to offer any space due to lack of land in Gaborone. The company was assisted to have discussions with BDC on a factory space that is just next to their building. The major problem is that BDC wants to lease the properties while the company wants to buy the property. The special economic zone land is a possibility but this can only be in the long term as the servicing of the land has not yet been done.
Financial Management	The company has engaged the services of an accountant to assist with financial preparations and cost calculation.

4.6 Agrifeed

Sector	Agro Industry
Contact Person	Ronak Upadhay
Level of employment	55
Annual turnover (BWP) 2014	41 million
Financial year end	June
Annual turnover – previous year 2013	25.7 million



Priority Areas identified beginning of assignment

- Development and cascading of Strategy
- Sales and Marketing Plan
- Inventory Management
- Cost Calculation
- Development of Procedures Manual
- Development of HR Strategy and Policies
- Quality Control (accreditation)

Progress achieved.

Areas of intervention	Progress
Financial Management and Cost calculation	The company operates a number of branches but financial management for all the branches, including procurement, is done at head office. As a result, it is not possible to ascertain the performance of each branch. The accountant was asked to apportion costs and revenues in order to develop management accounts for each of the branches. He managed to produce some financials reports. However, these were difficult to analyse as all procurement for all branches was charged at head office. This therefore created a picture of a huge loss by Head office and profitability by all branches. There Accountant has been requested to try and apportion all procurement costs, including purchasing of raw materials, to respective branches and present the results to Management for consideration.
Sales and Marketing Plan	The company has been asked to develop a Sales and Marketing Plan. Not much progress was made on this.

Development of HR procedures and process manuals	Not much has been achieved on this.
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4.7 ICL Botswana

Sector	ICT
Contact Person	Anderson Kgomotso
Level of employment	50
Annual turnover (BWP)	
Financial year end	March
Annual turnover – previous year 2013	15 million



Priority Areas identified beginning of assignment

- Development and cascading of Strategy
- Inventory Management (including process documentation)
- Development of an Export Strategy
- Process Mapping and Documentation
- Use of and ERP System
- HR Issues and development of Corporate Culture
- Explore R & D Funding initiatives

Progress achieved.

Areas of intervention	Progress
Development of Strategy	The company does not developed a strategy. The management team was taken through a day's workshop to assist them to develop key strategic goals and initiatives to assist in moving the company forward. The team came up with a number of key initiatives and targets aimed at improving and maintaining the performance on the company. The team is now consolidating all the information into a single document that would guide the company in the absence of a formalised strategic document.
Processes and procedures	The company has a number of processes and procedures that were developed some time back, and hence are not being used since they are obsolete. The company has now engaged the services of a consultant who is assisting to review all processes and procedures. The revised processes and procedures should be completed by end of October 2015. The processes and procedures will determine the kind of ERP system the company should use going forward. They currently have Pastel, which has many functionalities that are currently not being utilised.
Inventory Management	The company is working on utilising the inventory management function of pastel to improve their inventory management. Processes to guide inventory management will be developed by end of September 2015 and a Pastel consultant will be engaged to assist in developing and training staff on the inventory management function of Pastel.

Export Strategy	There was a lot of debate amongst management as to when the company should start aggressively pursuing the export market. At the end, it was agreed that the company should start positioning itself to fully penetrate the export market in the next 24 months. It was agreed that an export strategy should be developed immediately and regional marketing commence as soon as the strategy is complete. Econo Markets has asked BITC to include ICL in their Export Development Programme and assist them in developing an Export Strategy and an Export marketing plan and to further assist them to penetrate regional markets.
Research and Development opportunities	As part of the initiatives developed to guide the company, the company will undertake intensive research and development in the next 6 months to identify and quantify local opportunities and regional opportunities. This will also assist the company to be creative and innovative in order to continue being relevant in the market.
HR Issues	<p>The company is at final stages of reviewing the Terms and Conditions of Service. Staff were engaged to solicit input. The company has also identified a number of key policies that need to be put in place and they are in the process of engaging an HR expert to help develop these. The expert has already been identified and contract negotiation will commence soon.</p> <p>The company has a full management team. However, they are not operating at their level (spending too much time on operational issues and less time on growing the business (strategic issues). As part of the day workshop that was held for the company, management was taken through a session on the role of management in an organisation and discussions and initiatives were discussed on how best they can delegate some of their current operational roles to focus on strategic issues.</p>
Financial Management	A number of gaps were identified on the finance side and action plans developed for the company. These included development of periodic (monthly) management accounts, efficient and timely budgeting, and constant analysis of budget variance etc.). The Finance Manager is working on these and it was agreed that monthly management accounts will be produced on the second week of each month to enable the team to review and address shortcomings quickly.

4.8 Bo Inter Trading

Sector	Agro Industry
Contact Person	Botlhe Mooketsi
Level of employment	17
Annual turnover (BWP)	
Financial year end	June
Annual turnover – previous year 2013	8.8 million



Priority Areas identified beginning of assignment

- Business Plan for the production plant

- Inventory Management
- Formulation of processes and procedures
- Training on finance for non – finance management
- Cost Calculation
- Formulation of HR policies

Progress achieved.

Areas of intervention	Progress
Business Plan for new plant	<p>The company currently operates a production facility as well as a retail facility in one place. The place is too small for the business. The company has acquired a piece of land to house the production facility. This will also enable the business to separate the two functions and therefore be able to monitor the performance of each function as a separate business unit.</p> <p>The company has already identified the equipment to be used, which will be automated. They have been advised to develop a business plan for the production facility with associated financial projections. The company intends to benchmark on the equipment in Zambia (there is a company utilising the equipment there) and they plan to open the plant early 2016.</p>
Inventory Management	<p>The management team currently have difficulty managing inventory. It was however realised that the Point of Sale system they currently have has an inventory management function and accounting function. Discussions were held with the suppliers of the system and the company has been advised to engage the services of the company to assist in inputting information into the system on a weekly basis for a period of time until the promoters are able to do it themselves. The company charges P2000 per month for such services. This is in consideration that the company currently does not have the capacity to perform this function on their own. The system also produces reports, including financial reports, which will assist the company to review their performance on a monthly basis.</p>
Financial Management	<p>The company is weak in this area. With the engagement of the Point of Sale System consultants as discussed under Inventory Management, the company should be able to produce monthly financial reports. Working capital management is also an issue for the company. The company was assisted with a number of templates to assist manage their cash: petty cash management template, banking template, cheque requisition template. The company has also been assisted with a fuel requisition and authorisation system to assist in fuel management. They have been asked to make an arrangement with a filling station to procure their fuel. This would assist a lot as currently a lot of cash is withdrawn from the till to finance fuel.</p>
Processes and procedures	<p>At the beginning of the assignment, the company was assisted to develop some processes. However, due to the operations of the company, it is difficult to implement these. The company would benefit a lot if the new plant could be started with proper processes and procedures and the right personnel hired for the plant.</p>
Formulation of HR policies	<p>The company does not have HR policies and procedures. They were advised to use the Department of Labour employment card to formalise their employment with staff. The employment card is a very simplified employment contract that stipulates the major terms of employment such as salaries, benefits,</p>

	employment hours etc. Most of the employees have now signed this contract/employment card.
Cost Calculation	<p>The company has hired a part-time accountant to assist with cost calculation and other finance areas. However, despite efforts to meet the consultant, we were not able to. It is critical for the accountant to understand the major issues affecting the company and develop a proper costing model.</p> <p>The company is pro-actively trying to reduce costs, particularly raw material costs. The cost of maize and sorghum at Botswana Agricultural Marketing Board is currently very high. As a result, management has secured cheaper suppliers in Pandamatenga and Limpopo province. The company started sourcing raw materials from these suppliers in August 2015.</p>

4.9 Sebube

Sector	Agro Industry
Contact Person	Motlhagodi Molomo
Level of employment	24
Annual turnover last financial year	
Financial year end	June
Annual turnover – previous year 2013	6 million



The company's priority is to access donor/grant funding to inject into the business. They believe they have the capabilities and expertise to manage the business and that their only constraint is access to funding. The company therefore did not go through a mentorship programme.

4.10 Power Engineering

Sector	Manufacturing
Contact Person	Tushar Naik
Level of employment	34
Annual turnover last financial year 2015	66.7 million
Financial year end	April
Annual turnover – previous year 2014	46 million

Priority Areas identified beginning of assignment

- Facilitate meetings with BITC, Council and the Land Board.
- Development of Quality Management Standards (ISO certification)
- Assist with BQA accreditation for in-house course
- Financial Management
- Development of HR policies and procedures

Progress achieved.

Areas of intervention	Progress
Facilitate meetings with BITC, Council and Land board	The company had problems with the Tlokweng Land Board regarding plans for their new plant in Tlokweng. BITC was robbed in to assist and they were able to facilitate interventions by the Land Board.
Other areas	The other priority areas did not progress much as the company did not have adequate personnel to work on the action items. The company informs us that they are in dire need of a production manager, whose permits have been rejected even through the intervention of BITC.

4.11 Zulwini (Pty) Ltd t/a Art Cultural Centre

Sector	Manufacturing
Contact Person	Patience Mashabane
Level of employment	15
Annual turnover (BWP)	
Financial year end	July
Annual turnover – previous year 2013	1.2 million



Priority Areas identified beginning of assignment

- Overall Business Management (Finance, cost calculation, inventory, sales and marketing)
- Assist with training on the UltiSales system
- Development of Human Resources policies
- Development of Quality Management Standards

We believe the company is not committed to the programme. Only one meeting was held. Further meeting requests were agreed only for the owner not to show up at the meetings. We have had discussions with LEA, who are also assisting the company and they too are facing the same problem. Previous experts sent to the company also faced the same commitment problems. We recommend the company should be removed from those being assisted going forward.

4.12 SDM Holdings

Sector	Manufacturing
Contact Person	Steven Bond
Level of employment	70
Annual turnover (BWP) 2014	24 million
Financial year end	December
Annual turnover – previous year 2013	21 million

Priority Areas identified beginning of assignment

- Econo Markets to check on the progress of the appointment of the technical expert
- To check CDE to include the company in the BOBS list for ISO certification

The company had already started implementing most of the recommendations from the diagnostic report and therefore company interventions were reduced during the assignment.

Progress achieved.

Areas of intervention	Progress
Standards Certification	One of the major requirements for supplying transformers to the mining industry, especially Debswana, is the need to have SABs certified products. BOBs does not have equipment to do the product testing and therefore it is very costly to test in South Africa. The company is therefore not given preference in tender award, particularly by Debswana, even though they procure from the company when they are in urgent need of products. The company was taken through the Economic Diversification Drive Initiative and urged to utilise it. The company has recently moved into bigger premises within the same compound in order to increase production.

4.13 Cally Clothing

Sector	Manufacturing
Contact Person	Callistus Phologolo
Level of employment	27
Annual turnover last financial year	
Financial year end	June
Annual turnover – previous year 2013	800,000.00



Priority Areas identified beginning of assignment

- To organise a training on customer service for all employees
- Development and documentation of processes and procedures
- Development of a sales and marketing plan
- Cost Calculation
- HR Policies and Procedures
- Improvements in Financial Management
- Strategy Development

Progress achieved.

Areas of intervention	Progress
Strategy Development	The company has engaged a consultant to assist with team building and a balanced scorecard. Progress has been made, the company needs to finalise their target setting.
Processes and Procedures	The company was assisted in drawing up sales processes and asked to use the same methodology to develop other processes (production, procurement,

	finance, HR, marketing etc.). All the respective managers have started work on their respective areas. A quality management consultant was also engaged (CDE) to assist the company. If processes are documented and followed through, this could free time for the Managing Director for to focus on strategic issues.
Financial Management	Cost calculation is still a major issue for the company. The company is working on a pricing model that can be consistently used by all sales executives. The Finance Manager was also requested to produce monthly management accounts to assist the company to track their performance. The first set of accounts was produced in September (for the past months) and it became apparent that the company made losses in one of the months. The company will now consistently review their financial reports.
Sales and Marketing Plan	The company has decided to undertake research on their market in order to guide the sales and marketing plan.
HR Policies	The company has some HR policies that need to be reviewed. They have decided to recruit an in-house HR person (full time or part-time) to deal with all HR issues.

4.14 Scotchfield Bakery

Sector	Manufacturing
Contact Person	Tebby Hetolang
Level of employment	15
Annual turnover (BWP)	
Financial year end	September
Annual turnover – previous year 2013	1.5 million



Priority Areas identified beginning of assignment

- Development of QMS
- Assist with finalising the HR policies
- Assist with the management accounts
- Development of processes and procedures
- Financial management

Progress achieved.

Areas of intervention	Progress
Financial Management	The business is currently managed by one person. At the beginning of the assignment, there was a lot of unfiled paperwork (invoices, receipts etc.). The Kgalagadi kick-start programme was able to assist her by assigning an office assistant for a short-term period to assist with organising and filling all the paperwork. The promoter is not able to produce and review financial reports due to her schedule. A number of options have been discussed with her to bring improvements: getting an office assistant to relieve some of her roles, hiring a production supervisor to handle production, hiring a part-time accountant to produce accounts. The company is recovering from a bad patch and therefore

	<p>the owner is cautious about taking on additional personnel costs while the business is still recovering. It was agreed that she engages students from Botswana Accountancy College who can come on weekends to file invoices and receipts and produce financial reports. She has also developed an excel spreadsheet that inputs raw material purchases, daily raw material use, daily individual product production and associated sales. This enables her to match sales to raw material usage on a daily basis. The part-time students will assist in ensuring that all data is captured in the spreadsheets.</p>
Production	<p>The bakery has now moved to new bigger premises within the same mall. The owner has invested a bit of money to partition, paint and make the plant presentable. The baking area is neat and a sales counter has been installed at the front desk to improve the display of products. The owner's major fear is losing the property, so she is working on a plan to purchase the building. The landlord has given her an offer for the building, which is P200, 000 more than the valuation price. She has decided to approach CEDA to fund the valuation price value and she has reserved P200, 000 to top up the CEDA financing. She is in the processes of developing a business plan that will be submitted to CEDA before end of September.</p> <p>The owner has a lot of business (particularly for loaves) that she is not able to meet demand for due to equipment. She was offered a contract for the supply of 500 loaves per day in July, which she had to negotiate down to 200 loaves per day due to capacity. She won the Kgalagadi breweries kick-start programme and she used the price money to purchase some of the required material. She is working on a business plan to seek funding through the Government Youth programme in order to purchase more equipment, especially a second oven, in order to increase production.</p>
Property development stream	<p>The business has a property development stream, which has in the past affected the bakery business negatively. The promoter has been advised to separate and manage the property development function separately from the Bakery. Plans are advanced to separate the two and the husband will run and manage the property business.</p>
HR Policies	<p>The company has developed a basic HR policy, which will be reviewed as the business grows. Contracts have also been signed with staff.</p>
Quality Management System	<p>CDE has appointed a quality management consultant to the company. We advised the owner to first concentrate on certifying her individual bread products with BOBs to enable her to compete on quality and penetrate the Government market competitively.</p>

4.15 ICT Dynamix

Sector	ICT
Contact Person	Bernard Ndove
Level of employment	45
Annual turnover (BWP) 2014	15 million
Financial year end	June
Annual turnover – previous year 2013	12 million



Priority Areas identified beginning of assignment

- HR policies and procedures
- Quality Management System
- Cost Calculation
- Financial Management
- Sales and Marketing Strategy

Progress achieved.

Areas of intervention	Progress
HR policies and procedures	<p>The company has engaged an HR consultant to develop Terms and conditions of employment. The company was assisted to go through the draft Terms and Conditions of services to tailor make them for a private company. The proposed Terms and Conditions of service were more in line with Parastatals operations. The proposed structure was, in our view, also ballooned. The company was advised to further streamline the structure in order to make it more efficient. The company is now finalising the Terms and Conditions of Service document, which will be shared with staff.</p> <p>There was an issue on abuse of car allowance provision by staff. The company has been advised to take advantage of the revision of the Terms and Conditions of Service to tighten controls on car usage. The company has been advised to insert a qualifier on radius for use of individual cars by those taking car allowance. The company has also installed a tracking system on all their cars to control movement of cars.</p>
Quality Management System	CDE has appointed a quality management consultant to assist the company. The company is ready for ISO certification and needs further assistance, particularly on finalising the processes and procedures and preparing for the audit. We have looked at some of the processes developed, the company is in the right track but needs further assistance to fine tune the processes.
Cost Calculation	Most of the issues around cost calculation have not been dealt with. The business owners do not have the capacity to deal with this issue extensively and so they have been trying to hire a cost accountant over the past three month. Two candidates were offered this role over the past two months but declined due to better offers elsewhere. The company is aggressively looking for cost accountant.

	In the meantime, the Managing Director has managed to cost some of their jobs, especially the BTC contracts, to determine profitability. They are using the same methodology to look at the profitability of other contracts.
Financial Management	There was issues around the possible misuse of petty cash amongst the various branches. Management has now managed to tighten cash management at the different branches and they are continually monitoring this.
Sales and Marketing Strategy	The Managing Director is working with all the branches to finalise the sales and marketing strategy. They have also shown a lot of creativity and innovation in developing new product offerings to the market. The company has now opened a branch in Jwaneng and they are aggressively looking at how to penetrate the market. They are currently working on a digital advertising programme for the stadium in Jwaneng, which will give them mileage.

4.16 Techno Feeds

Sector	Agro Industry
Contact Person	Rihan Swanepoel
Level of employment	60
Annual turnover (BWP) 2014	50 million
Financial year end	
Annual turnover – previous year 2013	45 million



Priority Areas identified beginning of assignment

- Review and improve the inventory handling system (processes and procedure)
- Quality management system
- Development of sales and marketing plan
- Development of HR policies and procedures
- Relocation

Progress achieved.

Areas of intervention	Progress
Inventory management and processes	The company has huge a challenge with inventory management on all their three product lines: feed, medicines and John Deree. A lot of time was spent with individual teams to develop inventory management, stock management, production and sales processes. Through discussions with staff, we were able to identify a lot of weaknesses in the system and addressed these through the processes. The major constraint is that currently all of these processes are manual. Management has been advised to computerise the system in order to improve controls. They are currently looking for an ERP system that will efficiently handle inventory management.
Quality Management System	There is need for a quality management consultant to assist.
Sales and Marketing Plan	The company does not have a documented sales and marketing plan in place. Most of the marketing is done by attending and sponsoring agricultural district

	<p>national shows. These shows create a platform for them to meet with their current and new customers. The business has different distributors all over the country. All the sales are done through the distributors except for John Deere tractors which are sold from the Head Office.</p> <p>There is a dedicated Marketing Manager who handles all marketing and seems to be good at what she does. The company has been advised to document the strategies and procedures she employs for knowledge management.</p>
Development of HR Policies and procedures	<p>The company has employed a total number of 60 people. The employees are very committed to their work. Hardworking employees are being rewarded by being promoted to supervisory positions. There is however a need for train these employees on supervisory skills.</p> <p>The company has been advised to provide training on supervisory skills to equip staff with the right skills to do the job. Management is in the process of securing a consultant to undertake the training.</p>
Relocation	<p>The company is in urgent need of bigger premises to support the loading and offloading of products, which is currently a challenge.</p>

4.17 Wild Fruits

We have only been able to meet the Client towards the end of the interventions. Therefore the company did not participate on the programme. The company is however still interested in future interventions by CDE. During our only meeting, we went through the company's management accounts and the company is still making loses. They have also run out of working capital to finance the business and are trying to seek funding from CEDA.

4.18 Moonstone Capital

The company was not responsive to our request for meetings through emails and telephone calls. We suggest they be removed from future interventions as they have not shown any interest on the project.

4.19 Sernin

When the company applied for CDE intervention, they thought CDE would avail a grant/access to finance for them to build cow sheds and expand the business. The owner believes he has all the required expertise to run the business. Their major requirement for now is access to finance to expand the business.

4.20 Target Meat

The Company is currently undergoing voluntary liquidation. A judicial Manager has been appointed by the courts and they started work in July. Once the Judicial Manager has looked at the business and developed a turnaround strategy, CDE can start interventions on the company.

4.21 UKA Energy

The project is not operational due to financial and technical capabilities. The company was asked to assist CDE in finding an expert to assist them.

5. CONCLUSIONS/RECOMMENDATIONS

Overall, the interventions were fruitful with 10 companies progressing well. The major constraint is that most of the companies are not able to undertake action plans on their own. We had to actually assist them on a hands-one basis to implement their action plans. The time allocated to the quality management consultants is very short. Most of the times they are only able to assist at high level (development of quality statements and strategies). We therefore spent a lot of time assisting and teaching the companies to map and document their processes. The mentorship programme is also short (effectively around 3 days per company if all the companies are on Board). This makes it difficult to fully see through the action plans. We have currently left many companies mid-way in implementation of action plans.