ECONO BEE

"I want my Company BEE Rated"

Take one for instant, effective relief of all BEE Pain!

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I Want My Company BEE Rated?

This is one of the most common and confusing B-BBEE questions that the majority of our clients often ask.

We have prepared an easy to follow guide that will take you through the entire BEE Verification process.

B-BBEE Scorecard

What is the BEE Scorecard and do I need to comply?

The scorecard is a tool designed to measure your BEE compliance status and is based on 7 elements (see table below). Each element is measured based on a points scoring system. The complexity of the scorecard is determined by the turnover/revenue of a company.

The smallest companies – **EME** (Exempt Micro Enterprise), are exempt from all forms of BEE compliance. Their annual turnover is less than R5 million. They are automatically allocated a good BEE score i.e Level 4 or Level 3 if they are black owned.

Small companies - **QSE** (Qualifying Small Enterprise), are enterprises with an annual turnover of between R5 million and R35 million. They will need to prepare a BEE Scorecard, but can choose the 4 best elements out of the 7 elements.

The large, **Generic** companies with an annual turnover above R35 million will need to comply with all 7 elements of broad based black economic empowerment.

Component	Elements	Large	Small
Direct Empowerment	Ownership	20	25
	Management	10	25
Human Resource Development	Employment Equity	15	25
	Skills development	15	25
Indirect Empowerment	Preferential Procurement	20	25
	Enterprise Development	15	25
Residual	Socio-Economic Development	5	25

BEE The EconoBEE Way

The first phase of BEE is education - you need to learn what BEE is and how it works in order to make the right business decisions. Get to understand BEE so you will make the correct - and profitable decisions.

The second phase is calculating your first BEE scorecard then setting yourself targets and formulating strategies that will help you reach your targets. You will need to identify where you are in the BEE process. We often say "You are more BEE compliant than you realise".

The third phase is producing an accurate internal BEE Scorecard. If your score is low, work towards increasing it in line with your strategy. By creating a scorecard you will have a good grounding with which to build on and will know exactly how many points you should earn when you go for verification.

The fourth and last phase is the final BEE Verification.

B-BBEE Verification or Rating

Verification is the last step after you have produced your scorecard and worked on getting points. The purpose of verification is to ensure that the score you believe you have is correct. A BEE Verification Agency “audits” and “certifies” that the points you have earned are based on documentary evidence.

You don’t get a scorecard from a verification agency - you get your existing scorecard verified!

You need good points - not just a certificate

BEE Points = Business

How many points do I need?

A company gets on the "scoreboard" when they have more than 30 points. Secondly and more importantly you should aim to get more points than your competitors. Remember you need a scorecard because your customers want one, therefore the more appealing your score is to your customers the more likely you are to get new business and retain existing business.

Did you know?

Your Verification Agency is not allowed to consult to you, or even tell you how to improve your score. They will simply give you a form to fill in, and based on your response will verify that the data you have is accurate.

Your Verification Agency is not allowed to care about the number of points you get - WE ARE & DO

Your Verification Agency cannot be concerned about the speed of verification – WE ARE

Your Verification Agency is concerned about doing a good job for you – WE WANT TO GUARANTEE IT

Verification is just a stamping process on your efforts!

More about Verification

The key to BEE is the scorecard - unlocking the scorecard requires points. Smart businesses recognize that earning or losing their BEE points should not be by chance.

As much as they might want it, a company can unfortunately not ask someone to come in and give them a rating - they have to work towards building up the scorecard. Identify those business activities that earn points, calculate how many the points the company has earned throughout the entire year.

Identify strategies to increase and optimize those points. However, in the end, the points you earn are a reflection of the company's own activities and decisions.

PRE Verification Checklist – avoid these common mistakes

- Non-compliant – it is not the job of a verification agency (BEE Auditor) to help you earn points. Their job is to "audit" your BEE documentation.
- Fewer points than you deserve – We have seen many instances of companies who jumped straight into verification. This is rather unfortunate. BBBEE is not difficult but does take some time and the right documents need to be collected. We often find thousands of Rand that have simply not been claimed – in most cases the amount of unclaimed points will pay for a consultant, the verification and earn you extra points.
- No potential to improve – A self-assessment gives a company an extremely good opportunity to understand the effects of BEE on their company. If you are simply given a number you won't know where to find additional points. If you don't know what changes your scorecard nothing will change.
- Mistakes – We often see incorrect scorecards. This is the fault of the rating agency and should have been picked up by the company. How do you know a company has done a good job for you if you don't know what they have done?
- **Think about this:** Lets say your verification agency made a mistake; they gave you a level one when you only have 50 points (true story). Who is embarrassed and loses credibility when you give your scorecard to your customers?
- Wasted time: The verification process is detailed but should not take months. If you have data available and you are able to respond appropriately you will get your scorecard and not have to wait ages.
- Minimal benefits from BEE – lack of understanding of BEE leads to a lack of awareness of the potential opportunities BEE presents

Before your verification ask yourself - How much will a bad verification cost the company and how much is an extra point or extra level worth? Keep your scorecard at the top of your mind, know what goes into it and it will increase.

Are you prepared for your verification?

Preparing for your verification primarily takes the form of BEE scorecard along with a file containing all the documented proof you need to prove your scorecard is correct. By preparing early for your verification you will save time and money in getting that verification produced and you won't be surprised by a scorecard that is lower than you expected.

Verification Guidelines

The DTI has issued The Verification Agency guidelines which explains exactly how a Verification Agency should operate, and how they will go about verifying your score. If you do not know how best to approach your Verification Agency, you may end up being very unhappy.

The Verification Guidelines in simple terms is an audit manual. In effect a verification agency will follow the same principles when verifying your BEE scorecard as your auditor does to your accounts.

Many companies spend weeks and even months trying to get a verification. In reality verification should take no longer than 1-2 days – if you are prepared.

Need a Verification? Perfect - we will show you how

How does EconoBEE fit into BEE Verification?

We are not a verification agency. We are a consultancy that specialises in Broad Based BEE. We focus on the practical side of BEE. We treat a BEE Verification as a long term process, not a single event that happens once a year. It is our job to provide Education, Profiles and Strategies, assist with a BEE Scorecard Rating, implement BEE, optimize your points and give you BEE Confidence. Producing your scorecard and preparing for verification can be made easy by following BEE the EconoBEE Way.

Making Verification Sense out of BEE

What you really need at the moment

EconoBEE Educational Training Sessions

Attend one of our weekly half-day BEE workshops, full day BEE Seminars or a variety of practical, informative BEE conferences, seminars, workshops and more to prepare you for the important journey towards BEE compliance.

EconoBEE V3 scorecard software

Prepare a BEE self assessed scorecard in no time at all. EconoBEE V3 helps you approach the verification agency armed with a scorecard. With EconoBEE V3 the process is as easy as 1, 2, 3…

What if your annual turnover is less than R5 million?

Your business is exempted from producing a BEE scorecard. To save you time EconoBEE can design a set of documents that states your Exemption status, and assists you in getting this message across to your customers.

Require more intense assistance?

Large companies will require additional time with a consultant. We have an effective approach to this through our advanced record keeping system. Consulting on all aspects of BEE can be arranged.

BEE Verification

If you are ready for your BEE Verification, we can assist you in appointing a BEE Verification Agency that will provide you with a verified Broad Based Black Economic Empowerment Certificate proving your BEE level of compliance. Our consultants will be able to sit in during your verification or appeal any incorrect decisions your verification agency may have made.

Our support during your verification process will ensure you earn all the points you deserve and that that your scorecard is completed correctly - saving you time prior to your verification.

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About Us

About EconoBEE:

EconoBEE is a management consultancy specializing in BEE and the elements of BEE, including skills development and enterprise development. EconoBEE is a division of EconoServ. EconoBEE also provides the intellectual property for the BEE Expert Group – an organization that assists BEE consultancies and ratings agencies with developing and maintaining their high standards.

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No points without PROOF EconoLog

Contact Us

P O Box 41439 Craighall 2024

Tel: 011 483 1190 Email: info@EconoBEE.co.za

Fax: 011 483 1195 Website: www.EconoBEE.co.za

Physical Address:

11b Curzon Road, EconoServ Office Park

cnr Chapel and Curzon

Bryanston, ext 8

Johannesburg

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