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# - Information on Social Advantage -

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# Overview of the Services offered by Social Advantage

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Social Advantage specialises in offering the following services to clients:

## 1. **B-BBEE & the scorecard.**

- Consultation on, and an understanding of, B-BBEE, compliance and your scorecard

This will ensure that:

- You have a good general understanding of B-BBEE and how it relates to your business
- You are working off the correct B-BBEE scorecard
- You uncover the scorecard points that exist within your company
- You have a good understanding of the business opportunities that the scorecard presents
- You have a strategy to improve your score
- You have short and long term BEE goals that link in with your strategic business goals

## 2. **Socio-Economic Development (SED)**

- **Consultation & strategy development:**

- This will ensure that:

- You are able to make the right socio-economic development (SED) strategic decisions
- You receive specialist knowledge in planning, implementing, monitoring and reporting on your SED interventions

- **Management of the implementation and monitoring** of your SED strategies.

- This will ensure that:

- Your staff is not bogged down by additional work outside of their core focus and expertise
- the implementation and monitoring of your interventions are professionally and expertly managed on your behalf

- the beneficiaries of your SED contributions get the full value and impact of your investments
- your contributions meet the relevant criteria resulting in your business getting the deserved SED credit on your BEE scorecard
- **Reporting:**
  - reporting to your board and staff on the status and impact of the interventions
  - all documentation required for verification of your SED interventions is compiled in a comprehensive and succinct manner that meets the standard reporting requirements as set out by the Codes of Good Practice and therefore translates into points accumulated towards your BEE scorecard

### 3. Enterprise Development (ED)

- **Consultation & strategy development:**
- This will ensure that:
  - You are able to make the right enterprise development (ED) strategic decisions
  - You receive specialist knowledge in planning, implementing, monitoring and reporting on ED interventions
- **Management of the implementation and monitoring** of your ED strategies.
- This will ensure that:
  - Your staff is not bogged down by additional work outside of their core focus and expertise
  - the implementation and monitoring of your interventions are professionally and expertly managed on your behalf
  - the beneficiaries of your enterprise development contributions get the full value and impact of your investments
  - your contributions meet the relevant criteria resulting in your business getting the deserved ED credit on your BEE scorecard
  - where possible, your ED contributions maximise the relevant bonus points and multiplier opportunities

- **Reporting:**

- reporting to your board and staff on the status and impact of the interventions
- all documentation required for verification of your ED interventions is compiled in a comprehensive and succinct manner that meets the standard reporting requirements as set out by the Codes of Good Practice and therefore translates into points accumulated towards your BEE scorecard

#### **4. SED Managed Portfolio Trust Fund**

Social Advantage seeks to promote an investment philosophy that is about purposeful social investing rather than just giving money away. Typically large companies engage with Social Advantage to develop, implement, monitor and report on company-specific strategies – however, small and medium sized businesses often consider their social investment or enterprise development contributions too “small” to justify engaging a specialist. In addition, in isolation, their contributions fall somewhat short of making any real impact. Social Advantage is in the process of setting up a **managed Portfolio SED Fund** that acts as an independent vehicle through which businesses can channel their socio-economic development contributions to relevant, qualifying beneficiaries.

- The benefits of contributing to the Fund are:
  1. peace of mind that the contributions are being spent in an accountable and transparent fashion that seeks to maximise social impact and change
  2. the power of cumulative funds in affecting social change and real impact
  3. meeting BEE criteria and receiving relevant SED BEE points
- Social Advantage administers the SED Portfolio Trust Fund. This entails:
  - sourcing and vetting relevant and appropriate SED beneficiaries
  - on-going management and monitoring of the beneficiary organisations and enterprises
  - communicating opportunities for donor businesses to leverage PR and staff engagement in the work of the beneficiary organisations and entities
  - reporting on the work achieved and impact made

- compiling relevant documents needed to meet both BEE verification and company annual reporting requirements

## How Social Advantage operates

Though each client has specific needs and requirements that need to be met, the below set of processes provides a general overview of the typical manner in which Social Advantage operates (the example below uses SED as an example):

Process	Description	Cost to client	Outputs
<b>Phase I: Introductory meeting with client</b>	This meeting serves 2 purposes: 1. it provides the client with an idea of the nature of the work provided by Social Advantage 2. it provides Social Advantage with an idea of the needs, context and expectations of the client.	No cost	The client is able to determine whether Social Advantage is able to meet their needs. Social Advantage has gathered sufficient information for the purposes of developing a proposal.
<b>Proposal for SED Strategy development</b>	Social Advantage prepares a proposal outlining the costs and processes in developing a SED strategy for the client.	No cost	The proposal document provides the client with a clear idea of the costs involved in Social Advantage developing a relevant SED strategy.
<b>Strategy Development</b>	Once the proposal has been accepted, Social Advantage prepares a strategy document that involves a client situational analysis and dialogue process to ensure relevance of the strategy.	Once off cost: usually R8 000	A relevant SED strategy document is presented to the client
<b>Phase II: Acceptance of the strategy &amp; development of a proposal for implementation of the SED strategy</b>	Once the strategy document has been accepted, Social Advantage will draw up a proposal that provides information around implementing the SED strategy. The proposal generally outlines and costs the following processes: 1. a once off fee <sup>1</sup> to: a) source relevant SED beneficiaries, b) to perform a due diligence on them and c) to present the shortlist of	No cost	Proposal outlining the processes and costs of implementing, monitoring and reporting on the SED strategy on behalf of the client.

<sup>1</sup> This can only be determined once the strategy has been agreed upon and signed off, giving a context for the scale of the project

	<p>beneficiaries to the client</p> <ol style="list-style-type: none"> <li>2. a once off fee<sup>2</sup> to formalize the relationships with the selected beneficiaries which includes setting up performance-based delivery milestones and monitoring processes per beneficiary</li> <li>3. a fee<sup>3</sup> to cover monitoring and reporting on the implementation throughout the project time-period</li> <li>4. A once off fee<sup>4</sup> to report on the implementation of the strategy, which includes gathering evidence for verification purposes and annual reports / shareholders meeting at the end of the project period</li> </ol>		
<b>Acceptance of the proposal</b>	Once the client is satisfied with the information contained within the above proposal, the proposal will be considered accepted and payment will be due.	50% of the total of the implementation budget up front.	A contract is signed between the client and Social Advantage outlining the expectations and outcomes expected by the client in the implementation of the project.
<b>Phase III: Implementation &amp; monitoring of the strategy</b>	<p>Implementation of the processes described in the proposal, such as:</p> <ul style="list-style-type: none"> <li>▪ source relevant beneficiaries, perform a due diligence and present them to the client</li> <li>▪ formalizing relationships, setting up performance-based delivery milestones and monitoring processes per beneficiary</li> <li>▪ monitoring and reporting on the implementation throughout the project time-</li> </ul>	Remaining 50% at agreed upon time-frames.	<ul style="list-style-type: none"> <li>▪ Presentation to client of shortlist of proposed beneficiaries.</li> <li>▪ Formal agreements with each beneficiary</li>   <li>▪ Regular monitoring reports of progress of projects to client</li> </ul>

<sup>2</sup> this fee can only be determined once the number of beneficiaries and the size of the budget is known

<sup>3</sup> this fee can only be determined once the nature and scale of the project is understood – it can take the form of a monthly retainer, should the contributions be sufficient to warrant this, or bi-monthly, quarterly check-ups and reporting

<sup>4</sup> Usually in the region of R10 000, but will depend on the size of the project

	period		
<b>Phase IV: Reporting</b>	Reporting: gathering evidence for verification purposes and annual reports / shareholders meeting at the end of the project period	Once off cost	Report for verification and shareholders / board meeting purposes presented to client

## Why Social Advantage?

Many businesses attempt to understand and implement B-BBEE specific interventions with the very best of intentions. Often however, with little in-house expertise or additional capacity, the interventions are often inadequately planned, poorly implemented, monitored and reported on. The result unfortunately, is that the BEE interventions aren't maximised either in relation to its impact on our economy, society or in its ability to earn you points on your B-BBEE scorecard.

In an environment where B-BBEE compliance is being increasingly evaluated by your clients and your consumers, it is vital that it is implemented effectively.

Social Advantage is not only able to assist your company in gaining a thorough understanding of B-BBEE, your compliance status and requirements and developing and aligning your BEE objectives with your strategic business goals, but also in providing specialist knowledge and expertise in implementing your SED and ED objectives without having to engage a new service provider.

Social Advantage has over 11 years of social development experience to assist in achieving these goals. My background in growing and managing a local not for profit organisation (NPO) provided me with invaluable on-the-ground knowledge of the NPO sector and the issues they are typically challenged with. Adding to this, my 5 years experience with the Shuttleworth Foundation allowed me to understand what is important from a donor's perspective, issues such as accountability, delivery and return on investment. Cumulatively, this background empowers Social Advantage with a holistic picture of the developmental sector.

With the recent flurry around Broad-Based Black Economic Empowerment, Social Advantage has also assisted a number of South African companies gain an understanding of the BEE Codes, what it means to their business and how to maximise the available business opportunities, with specific reference to socio-economic development and enterprise development.

As a result, Social Advantage is able to combine its specialist knowledge with its comprehensive understanding and application of BEE to provide clients with a holistic, relevant and opportune solution.

I look forward to working with you.



Kim Marr