



From the Editor **Charles Henzi**

The South African Economy continues to languish, but perhaps not to the same extent as the developed world and with more hope for its future potential. Hope being derived from its capacity to serve the needs of diversified regional as well as global markets, or mobilising to take advantage of potential markets as they emerge.

To maintain sustainability during current business conditions and then to flourish as opportunities present themselves, requires business leaders to remain keenly and strategically focused upon their enterprises' Key Value Drivers and to not be sidetracked by, often energy sapping, 'background noise'. These distractions usually arise from important but not core, business processes.

From the DRG Outsourcing perspective these peripheral processes include transactions, procedures and behaviour related to the enterprise's Human Capital (people-related challenges). Not only do these distractions impact upon the leadership but also team members; when everybody should be preoccupied with Customer and Shareholder orientated Action!

We continue to emphasise the global move to outsource non-core business processes. This well-established phenomenon is, according to our experience, rapidly taking hold in South Africa, especially in the Human Capital (HR) arena. It supports the financial strategy of shifting cost structures from fixed to variable and allows you acquire professional support on an as and when basis, as opposed to introducing this capacity

(often scarce and expensive) on a full-time basis. The advantage of outsourcing certain ongoing transaction or compliance based processes lies not only in taking non-core activities off-site but also in that service expectations are underpinned by professional delivery capacity and formal Service Level Agreements, as opposed to hoped-for employee performance levels.

So, our message is: "Lead your core skill team members in business-focused Action", and then rely on DRG Outsourcing, as your professional and reliable service provider, to provide the focus on the non-core stuff!

We invite you to read on ... to gain a better insight into the extent and capabilities of outsourced services.

Charles

THE BEST SERVICE

DRG Outsourcing's BEST Service (BEE, Employment Equity, Skills Development and Training Co-ordination Service), focuses on the three key, and interrelated, laws which are major features of doing business in South Africa, namely:

- Broad-based Black Economic Empowerment Act, 53/2003
- Employment Equity Act, 55/1998
- Skills Development Act, 97/1998

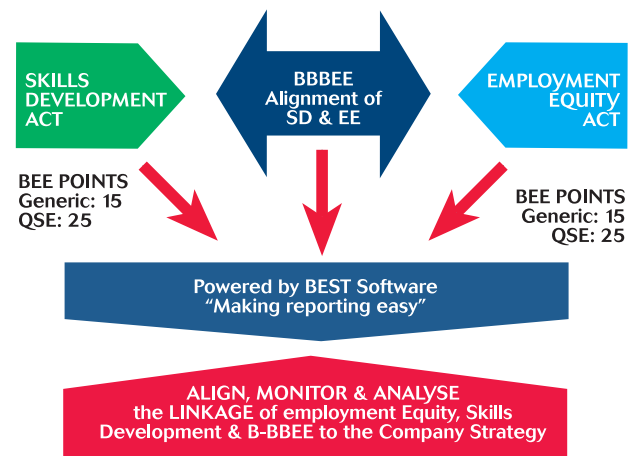
SERVICE OFFERING

The BEST Service is an outsourced management system which helps align the companies Skills Development & Employment Equity with current legislation.

Provides the co-ordination & scheduling of day to day training, included is co-ordination & administration of learnerships & skills programs

The BEST Service includes various reports which align training spend with the companies BEE requirements, this allows for fast, efficient BEE reporting.

The BEST Service monitors your training relevant to your Workplace Skills Plan, and training cost incurred.



EMPLOYEE PERFORMANCE AND REWARD

Additional Capacity In Providing Total Reward Solutions

We have entered into an association with Bay Union, a leading Employee Benefits Advisory Service, to ensure that our Customers' employee remuneration packages are properly balanced in terms of their cash and benefits components. Given the relative disarray in the employee benefits advisory sector, we are excited to refer this service to our Customers to ensure appropriate and cost-effective benefits structures.

Bay Union Employee Benefit Consultants (Pty) Ltd offers advice and designs solutions for employers' group benefit plans. We work with our clients to identify their [Group Insurance](#), [Group Retirement Savings Needs and objectives](#) and [Medical Aid](#). We design, implement, manage and monitor the final solution, being the entire group benefit plan.

The Retirement Fund Industry has become increasingly complex due to ongoing changes within the regulatory environment. The experience we have gained and the team of technical experts available to us has provided the capacity to specialise in fixing non-compliant or inappropriate employer benefit arrangements. Bay Union Employee Benefit Consultants (Pty) Ltd offers advice and designs solutions for employers' group benefit plans.

Contact us to arrange for Bay Union Employee Benefits Consultants to conduct a no obligation independent audit of your current benefits arrangements and its capabilities.

EMPLOYEE DEBT - disabling the enterprise

Recent research, Toyota for example, has identified that 'over-indebtedness' is a major contributor to all the negative influences, which inhibit Employee Performance, and also attitudinal distortion.

Unfortunately, this is a common phenomenon in all types and sizes of Business and within most employee levels.

As an additional value-added service to our Customers engaged in Employee Wellness initiatives, we have entered into relationships with two organisations that are focused on addressing this debilitating element, namely:

DRG has therefore formed a relationship with the two leading 'Debt Reconstruction Companies' in South Africa: [Octogen](#) for Debt Counseling, and [Synrec](#) for Garnishee Management.

Neither Service has any 'cost to Company' implications!!

Octogen is a registered debt counselor working in conjunction with SynRec. The counseling process begins with a general presentation on household budgeting, then invites individuals needing professional help to a budgeting workshop and then enters into negotiations with creditors to agree repayment plans. Once your employee has participated in this process, assets remain protected from attachment, thus removing this element of debilitating stress.

SynRec takes over the management of all your [Garnishee](#), [Administration and Maintenance Orders](#). SynRec handles all queries, calculates the correct

balance on each garnishee order and keeps the balances updated, ensuring that you will have the correct balance at all times. SynRec will take away the workload from your Payroll Department thus saving you time and money. Your payroll office will not have to do any capturing as SynRec will send a file to import into payroll. SynRec will do all your payments of the garnishee orders. This payment will take place simultaneously with your payment; they do not hold funds received over to earn interest.

Please contact us to arrange a detailed presentation on this integrated service.



REMUNERATION SERVICE PROVIDER

We have entered into an association with the Port Elizabeth-based KeyPoint Consulting who represent 21st Century, a leading Remuneration Survey service provider, in the Eastern Cape and KwaZulu-Natal. This web-based Survey: 'Reward on Line' interrogates a database comprising over 800 organisations and 850 jobs representative of both the national market as well as specialised industries. Data is also available for Namibia, Botswana, East Africa and Ghana.

Contact us for a demonstration of the Survey and its capabilities.

HIGH PERFORMANCE ENTERPRISES

Driven by High Performance People

In today's competitive environment most traditional 'competitive differentiators' e.g. quality, have become a given market entry requirement.

What sets a truly effective provider of goods or services apart is leadership, focused upon creating a performance-enabling environment to encourage team members to take personal responsibility and hold themselves accountable for making their contribution to achievement of business objectives.

Our theme: "Highly Engaged People Taking Self-Inspired Action..for Results!"

Our experience with the classical Performance Management System practiced by many organisations that we have interacted with is that the initiative tends to degrade into a bureaucratic ritual. We have developed and continuously improve a really effective approach to enabling and measuring employee performance: The Performance Leadership Process.

This Process is customised to suit individual enterprises' business models, Value Drivers and other unique features. It is founded upon

employees becoming business literate at a level appropriate to their roles and in so doing understand the origins of performance measurement relative to their roles. They understand that required performance objectives and their measurement are derived from just two sources: **Shareholder** expectations (financial outcomes) and **Customer** expectations (on time, in-full and value for money delivery).

We emphasise that the CEO and his senior team are the champions of the Process (it is not an 'HR'-driven intervention). It derives from the enterprise's strategic and business plans and supports the operationalising of these plans through developing Personal Business Plans detailing Performance Commitments (including Individual Development Plans) for team members. The roll-out of the Process incorporates a review of the most recent strategic and business plans to identify Key Value Drivers, Key Performance Measurements and the enterprise's Value Chain. The presentation: How Business Works/ Our Business Works is developed for the different levels within the organisation and is then work shopped with the senior team, to identify key themes to be emphasised. It is then adapted to suit the different role levels e.g. managers, supervisors, clerical support and shop floor.

We have now enhanced our Performance Leadership Process through establishing a relationship with the developers of the **Compass Aligned Performance System (CAPS)**. The CAPS process is supported by **ec@ps**, an on-line system which allows team members and their leaders/mentors to track and assess performance, as committed to in Personal Business Plans, on a continuous basis. It ensures that the Performance Process remains both active as well as responsive to changes in strategy and tactics. It reinforces the understanding that all team members are ultimately focused upon a common goal – the required business results. This instrument into which performance measurements, required tactics/ actions and milestones, derived from Personal Business Plans are uploaded provides team members with regular reminders via e-mail and sms. It provides the senior leadership group with access for activity and progress reviews. It supports preparation for formal performance assessments as well as 360 degree assessments. Weighted performance ratings can be applied as 'performance modifiers' in the design and execution of a Performance Incentive Plan.



PAYE INTERIM RECONCILIATION

The interim Employer Reconciliation Declaration (EMP501) for the transaction period 1 March to 31 August is due between 1 September and 31 October 2011.

Blank Employer PAYE reconciliation forms, for manual submission, are no longer available at the SARS branches. The reconciliation forms must be requested from the SARS

Contact Centre by calling 0800 00 SARS (7277) or visiting your local SARS branch.

The forms will be posted to you. Employer PAYE Reconciliation forms are available for electronic submission on Employer. For all generic PAYE information xxxxxxxx

For High Level Labour Relations Matters, we are able to introduce:



Richard Haslop of Woodhead, Bigby & Irving Inc has specialised in labour and employment law for more

than 20 years. He is a past President of the South African Society for Labour Law (SASLAW), served on its National Executive Committee for more than ten years and still serves on its KZN

Regional Committee, the KZN Law Society's Labour Law Committee and the Law Society of South Africa's Standing Committee on Alternative Dispute Resolution. He has lectured Labour Dispute Resolution at the Law Society of South Africa's School for Legal Practice for around 15 years and has, for many years, compiled, on an annual basis, its course notes nationally. He also frequently lectures labour law to attorneys who are not specialists, but need to keep up to date with developments. His partner,

Lisa Williams-de Beer, is a well-known and respected arbitrator at the CCMA and various bargaining councils, a contributor to the Industrial Law Journal, and a past President of the KZN chapter of SASLAW.

They advise and represent several large corporate clients in a variety of industries, including transport, motor, petroleum, metal and engineering, plastics and others, along with municipalities and other organs of state, as well as small and medium sized firms and individual employees.

Human Resource support to Entrepreneurs...

DRG Outsourcing understands the challenges of running a small company, and we know that HR doesn't need to be one of them. We specialize in managing all aspects of human resources including, payroll and employee tax management, development of employment contracts, policies and procedures, implementation of performance parameters including reward and incentive structures, BEE guidance and support, and employee benefit administration, allowing our clients to focus on their real business priorities. Let DRG Outsourcing be your Trusted Advisor—give yourself a proven way to contain costs, minimize risk, and relieve your administrative burden. Our mission is to help you realize your ambitions.

For years, small company executives have been forced to spend precious time and money creating an in-house HR infrastructure and cobbling together solutions from a handful of external providers. What they found was a dizzying combination of regulations, administrative headaches, and escalating costs.

Today, forward-thinking executives have learned that the best strategy is to devote their finite resources to what they do best and outsource the rest. That's why thousands of executives trust DRG Outsourcing to manage the ever-growing complexity of today's HR responsibilities. With DRG Outsourcing, small companies finally have a trusted partner to help them contain HR costs, minimize employer-related risks, relieve the administrative burden

of HR, and keep their focus on business success.

Today's pace-setting executives understand the importance of giving their company a competitive advantage through stellar HR processes and services. With DRG Outsourcing, small and medium companies outsource their entire HR function and enjoy a comprehensive set of services that are typically only available to much larger organizations.

For employers, these end-to-end services include:

- Development of HR Maturity Foundation
- Complete payroll and employee tax service
- Third Party processing and account management
- Performance, Incentive and Reward Initiatives
- BEST Software online service tool for HR managers
- Broad-based BEE Guidance and Development
- Crucial protection from employer-related risk and compliance
- Medical plans and voluntary benefit offerings for employees.

By transforming a traditionally high-overhead HR function into a series of services that empower all levels of an organization, DRG Outsourcing allows executives to stay focused on what they do best, while improving the lives of their employees and their families.

What differentiates our services?

DRG Outsourcing was founded upon deliberate research into global trends and local needs. Local needs in South Africa are influenced by a diverse workforce, extensive as well as complex legislation and a talent/ skills deficit. It became evident that business leaders have enough on their plates without needing to divert a significant amount of their attention to employment-related issues.

Therefore, from the outset, the DRG Outsourcing Total HR Service Model was developed and subject expert resources engaged (unlike many HR service providers whose offerings tend to be centred on limited core specialisation, e.g. recruitment, labour relations, training). Our model has, as its framework, the concept of an HR Maturity Curve. We assess where an enterprise sits on this curve in terms of HR Best-Practice, where it wants to be and then tailor our facilitated interventions accordingly.

Our approach, (honed over 15 years) to gearing our delivery capacity through a blend of a core team of subject experts and structured relationships with independent specialists, combined with a realistic fee structure, allows us with the flexibility to deliver services across the entire spectrum of enterprises and organisations. We have provided value-adding HR Best-Practice services to entities ranging from

small start-up businesses and NGOs to large corporates and tertiary education institutions.

Given the extent and complexity of employment-related legislation, including B-BBEE, we provide practical direction and support to organisations in ensuring legal compliance, however, over and above compliance, we emphasize that the transformative intent of such legislation should be incorporated into the enterprise culture.

We assist offshore investors in establishing operations in South Africa, ensuring that all HR and legislative requirements are put in place economically and efficiently. In so doing, we encourage alignment with South Africa's socio-economic transformation agenda

We manage and administer specialist contractors on their own behalf and on behalf of enterprises needing specialised skills for a finite period.

The outsourcing approach ensures that required interventions are delivered by specialist resources, which do not become part of fixed costs and are "just right" in terms of delivery capacity requirements.

Rationale for HR Outsourcing Services:

Managing a company in today's fast-paced and sophisticated business environment is a complicated task. In South Africa, since 1994, seven new Labour-related Acts, a new Companies Act, a B-BBEE Act (to name a few), have been introduced, and simply keeping up to date with the related requirements of this legislation can be complicated for business owners and their management teams - especially if these activities are not core to the business.

In coping with increasing pressure to improve efficiencies and competitiveness, more and more

business leaders are turning to outsourcing solutions ... to stay focused on the fundamentals!

The outsourcing of non-core business processes continues to show a growing, thriving trend globally.

WHY?

■ **MONEY:** Recent economic events have resulted in organisations paying even more attention to fixed cost structures associated with non-core business activities

■ **TIME:** The management or oversight of non-core support structures and

activities often occupy a disproportionate, irreplaceable amount of leadership time and energy

■ **SKILLS:** The skills shortage phenomenon continues and will exacerbate once the world economy moves back into a growth phase. Often, specialized skills and competencies are required only intermittently.

■ **CHANGE:** In a world of dynamically changing products, services, legislation, markets and business processes, a "fresh pair of eyes" is often enlisted in helping to ensure competitiveness.

TOTAL SOLUTION AND DELIVERY METHODOLOGY

DRG Outsourcing's Total Solution model supplies HR support activities to a businesses human resource environment.

Clients are able to draw "ready made solutions" into their business as required. DRG has within each distinct service line, amalgamated each human resource activity into comprehensive products, so companies are able to use internal skills when available, and draw the balance of their business platform required from DRG.

We have found that by providing clients with a professional human resource environment, it is easier for them to focus on their core activities, customers and deliverables; hence their success and profitability increases.

■ Afford us some of your time to efficiently acquaint ourselves with your business needs and challenges.

■ We will then customize our services, endeavouring to acquaint you with the necessary knowledge and skills to

meet your challenges.

■ We believe, preferably in establishing strategic partnerships with our clients as opposed to providing short-term solutions.

Experience with our clients has reflected that ultimately, no HR intervention can be delivered in isolation. We prefer through a time and cost effective manner to establish an integrated, holistic approach to HR in support of core business processes.

DRG Outsourcing Your Total HR Solutions Service Provider

Helping you to stay focused upon the fundamentals of leading your business, through providing on time and just right support services.

Supporting your competitive advantage in the marketplace through attracting and retaining high performance talent... delivering results!

The outsourcing of selected business processes to professional service provides ('staffing the work, not the jobs') is a well-established and continuously growing global phenomenon. The business management element of Human Resources element lends itself particularly well to professional outsourcing services.

■ Payroll Service

DRG Outsourcing offers professional payroll management services to companies with 1- 250 employees. Our services service includes collection of input data, monthly processing of payslips, provident fund and medical aid reconciliations, third party payments including salary net pays, UIF, Skills Development, and Workman's Compensation.

■ Contract Employee

DRG Outsourcing's Contract Employee Management Service provides Clients with the assurance that from a formal employment and statutory perspective Contract Employee responsibilities and requirements are being met, and that Contract Employees have the backing of a professional organisation to cater for their HR needs and requirements. These activities include contracts and service agreements, payroll processing and net pay transfers, compliance with social securities and employer bodies, medial aid and provident fund benefits, recruitment and relocation.

■ Expatriate Management

DRG Outsourcing provides a turn key Expatriate Management service for companies sending staff in to South Africa, and several countries in Africa. The service includes collation and submission of work permit documentation, related employment contracts, as well as monthly payroll processing and social security compliance support.

■ Entrepreneurial Support

DRG Outsourcing provides support for small and emerging enterprises in delivering a Human Resource outsourcing solution comprising employment contracts for employees, assurance of compliance with employment laws, a payroll service with associated taxation aspects and statutory returns.

In doing so we remove the burden of administration and potential risk from entrepreneurs thus enabling them to focus fully on Key Value Drivers of their business.