

## Synthesis of Recommendations and Improvement Plan Objectives for the Implementation Evaluation of the Business Process Services (BPS) Incentive Programme

### A. Policy and Programme Design

<b>Recommendation 1</b>	Firms must be encouraged to more accurately project how many jobs they expect to create.
<b>Recommendation 6</b>	A graded scheme by type of service should be introduced to provide higher incentives for firms offering a higher value niche service offering, particularly the back office firms.
<b>Recommendation 7</b>	The requirements for back office operators should also reflect their smaller size, and the minimum requirement should be reduced to 20 jobs for such firms.
<b>Recommendation 10</b>	Communication specific to the policy guidelines and strategic issues relating to the incentive scheme needs to be allocated to a specific point of contact, which is well informed and equipped to respond to such queries.
<b>Recommendation 12</b>	Companies should be encouraged to make more realistic projections.
<b>Recommendation 9</b>	There needs to be communication from the government on the possible future of the Scheme.
<b>Recommendation 17</b>	Broader than the incentive scheme, the BPS industry should align employee training to better meet the demands of the industry.
<b>Improvement Objective 1</b>	To review the BPS incentive policy guidelines to ensure continuous communication, appropriate offering and levels of the scheme and realistic projections for the key indicators and monitoring thereof. It is envisaged that these collaborative efforts will support an increase in sustainable quality jobs.

## B. Monitoring and Evaluation (M&E)

<b>Recommendation 2</b>	A target for FDI and job creation must be provided.
<b>Recommendation 3</b>	The nature of what is meant by FDI should be clearly defined <sup>1</sup> ; Clarity in the reporting of investment must be obtained.
<b>Recommendation 4</b>	The monitoring system and process applied by the projects on the Scheme need to be improved to better collect data on actual FDI and jobs created.
<b>Improvement Objective 2</b>	<b>To develop SMART KPIs, set targets for the key indicators and develop a monitoring system</b>

## C. Competitiveness, Marketing and Promotion

<b>Recommendation 16</b>	The incentive scheme must be continued beyond its current three year duration to keep South Africa cost-competitive.
<b>Recommendation 11</b>	The number of companies participating in the Scheme must be increased in order to increase job creation, linking to improving the promotion strategy of the Incentive Scheme to attract more investors, as well as a need for the introduction of graded incentives to capture more of the entire.
<b>Improvement objective 3</b>	<b>To review and refine (rationalise) the value proposition and explore reviewing the duration of the incentive scheme.</b>

<sup>1</sup> FDI refers to the plant/ operation located in SA by foreign investor bringing or leasing existing infrastructure, it can be outsourced to the local partner provisionally to the minimum period of 3-5 years. It has to be expressed in rand value and there must be commitment and stability from both investor and government.

## IMPROVEMENT PLAN AND REPORTING TEMPLATE FOR IMPLEMENTATION EVALUATION OF BUSINESS PROCESS SERVICE (BPS) INCENTIVE PROGRAMME

<b>Title of Evaluation</b>	Implementation Evaluation of the Business Process Services Incentive Scheme Programme	<b>Date of Publication of Evaluation Report</b>	
<b>Name of Lead Department</b>	Department of Trade and Industry (the dti)	<b>Date of Approval of Improvement Plan</b>	
<b>Contact Person</b>	Dr N. Mashalaba	<b>Position</b>	Chief Director: M&E
<b>Telephone/ Cell No</b>	0123941219 / 0828012704	<b>Email</b>	<a href="mailto:NMashalaba@thedti.gov.za">NMashalaba@thedti.gov.za</a>

<b>Date of Report</b>		
<b>Reporting Cycle (Mark with an X)</b>	<b>January - June</b>	<b>July- December</b>

### A. Policy and Programme Design

<b>Improvement Objective</b>	To review the BPS incentive policy guidelines to ensure continuous communication, appropriate offering and levels of the scheme and realistic projections for the key indicators and monitoring thereof. It is envisaged that these collaborative efforts will support an increase in sustainable quality jobs.		
------------------------------	---	--	--

<b>Outputs to achieve the objective</b>	<b>Priority L/M/H</b>	<b>Activity to achieve output</b>	<b>By who? (Institution responsible)</b>	<b>By when? (Deadline)</b>	<b>Embedded where</b>	<b>Current situation/ Progress Report</b>
Revised BPS guidelines addressing	H	Review and benchmark potential levels of	the dti	Sept 2014	APP	Appointment of service provider finalized. Benchmarking research in progress

various options relating to support levels, incentive grading, back office requirements, etc		incentive support levels, and the profitability of contracts	the dti	Sept 2014	APP	Part of the Guidelines Review
<b>Outputs to achieve the objective</b>	<b>Priority L/M/H</b>	<b>Activity to achieve output</b>	<b>By who? (Institution responsible)</b>	<b>By when? (Deadline)</b>	<b>Embedd ed where</b>	<b>Current situation/ Progress Report</b>
Revised BPS guidelines addressing various options relating to support levels, incentive grading, back office requirements, etc	<b>H</b>	Benchmark and review back office requirements and explore options to cover support service jobs e.g. QAs, Team Leaders, MIS etc	the dti	Sept 2014	APP	Appointment of service provider finalized. Benchmarking research in progress, expected completion 31 July 2014
	<b>M</b>	Review and benchmark the duration of program, consider a period of five years	the dti	Sept 2014	APP	Appointment of service provider finalized. Benchmarking study in progress, expected completion 31 July 2014
	<b>M</b>	Develop criterion to for the reliability of projections and measures to manage these	the dti	Sept 2014	APP	Process to commence once the benchmarking study has been completed
	<b>M</b>	Examine and determine profitability of contracts and each project; Separate set of matrix for non-voice- is this for incentive purpose?	the dti & Industry Body	Sept 2014	APP	Process to commence once the benchmarking study has been completed
Report on costs/ benefits of linking incentives to skills programmes	<b>M</b>	Review existing skills development programmes for the sector and benchmark with other countries.	the dti	Sept 2014	APP	To be included in the Skills development Policy Review of IDD



Improvement Objective		To develop SMART KPIs, set targets for the key indicators and develop a monitoring system.				
	L	Explore options for sustainable skills for the sector such as rewards for relevant, avoidance of overtraining	the dti	Sept 2014	APP	To be included in the Skills development Policy Review of IDD

## B. Monitoring and Evaluation (M&E)

Outputs to achieve the objective	Priority L/M/H	Activity to achieve output	By who? (Person/Institution responsible)	By when? (Deadline)	Embedded where	Current situation/ Progress Report
FDI indicator implemented and accepted by all stakeholders	H	Review definition internationally	the dti	Sept 2014	APP	To be included as part of the incentive review
	H	Review, design, implement and communicate measuring process	the dti	Sept 2014	APP	To be included as part of the incentive review
Forecasting mechanism around creation of jobs for Business Process Services implemented	H	Benchmark international forecasting and targeting approach	the dti and Private Sector	Sept 2014	APP	To be included as part of the incentive review
	H	Develop model standards to forecast job creation	the dti and Private Sector	Sept 2014	APP	To be included as part of the incentive review
FDI and job indicators aligned with the existing monitoring system	H	Align indicators with the dti Performance Monitoring Plan	the dti and Private Sector	Sept 2014	APP	To be included as part of the incentive review
	H	Align indicators with the	the dti and	Sept 2014	APP	To be included as part of the incentive review

		dti Performance Monitoring Plan	Private Sector			review	
Outputs to achieve the objective	Priority L/M/H	Activity to achieve output	By who? (Person responsible in bold)	By when? (Deadline)	Embedded where	Current situation/ Progress Report	
Existing Value Proposition refined	H	Brief BPS Marketing Committee	Industry and the dti	March 2014	APP	Held in January 2014.	
	H	Review of all independent and existing analysis (e.g. ) LSE, Ovum, Nelson Hall etc	BPS JAG	March 2013	APP	Done by BPeSA	
	H	Draft Value Proposition document ( <i>Visibility of the incentive scheme within the Value Proposition expanded</i> )	TISA	July 2014	APP	Done by Everest for BPeSA; to be enhanced by the findings of the JAG studies and work of the Industrial Development Division on sub sectors.	
	H	Consult with stakeholders	BPS Marketing Committee ( <b>the dti &amp; Industry</b> )	August 2014	APP	To be conducted once the report is finalised.	
	H	Finalise Refined Value Proposition	BPS Marketing Committee ( <b>the dti &amp; industry</b> )	August 2014	APP	Draft completed awaiting inputs from the incentive review; JAG	
Duration of the incentive scheme reviewed and new timeframes defined	H	Industry workshop held (discuss benchmarking recommendations)	Industry and <b>the dti</b>	August 2014	APP		
	H	Finalise Revised Guidelines	<b>the dti</b>	Sept 2014	APP		

## C. Competitiveness, Marketing and Promotion

### Improvement Objective 2

To develop SMART KPIs, set targets for the key indicators and develop a monitoring system

Endorsed by



Mr Lionel October

Director General: the dti

Date: 9 June 2014