

*"I need
someone to
take care of my
bee
verification
quickly &
accurately"*

Q question

BEE Online,
the premier internet-based
empowerment and
verification service

A answer

For further information please contact:

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REASONS

WHY YOU SHOULD CHOOSE BEE ONLINE

- + 20,000 visitors to our website (weekly)
- + 8000 subscribers to our newsletter (weekly)
- + we're growing...

1

We're FAST, because we're **internet-based**, our procedure in getting your scorecard complete is even quicker

2

Accuracy, is ensured with your scorecard as we've developed systems and procedures extensive time and **research** into our business model

3

we have the EXPERTISE to give your company the opportunity to get a scorecard first time round, and the **best possible scorecard** with our knowledgeable inhouse experts.

4

we VERIFY your suppliers, our specialised team will help you overcome this major step in the verification process, by checking that all your suppliers are BEE compliant

5

GET MORE BUSINESS
by getting your scorecard

Supplier Verification

Why do our clients use BEE Online for BEE Auditing and Supplier Verification?

The answer is simple:

We adopt an approach of working with and educating our clients on how to conduct their first BEE Audit. BEE Verification is new to our clients and we have found it is important to be able to have the expertise in an agency that can walk our clients through the intricacies of their audit, in order to get it right first time and most importantly for the best possible scorecard.

Supply verification is not our clients core business. With the verification of company's or state enterprise's suppliers not being a priority, it inevitably means they find themselves lacking the expertise, manpower and infrastructure to effectively verify the BEE status of their suppliers.

They want an independent BEE Auditor to validate suppliers information thus reducing any risk associated with incorrect or fraudulent scorecards.



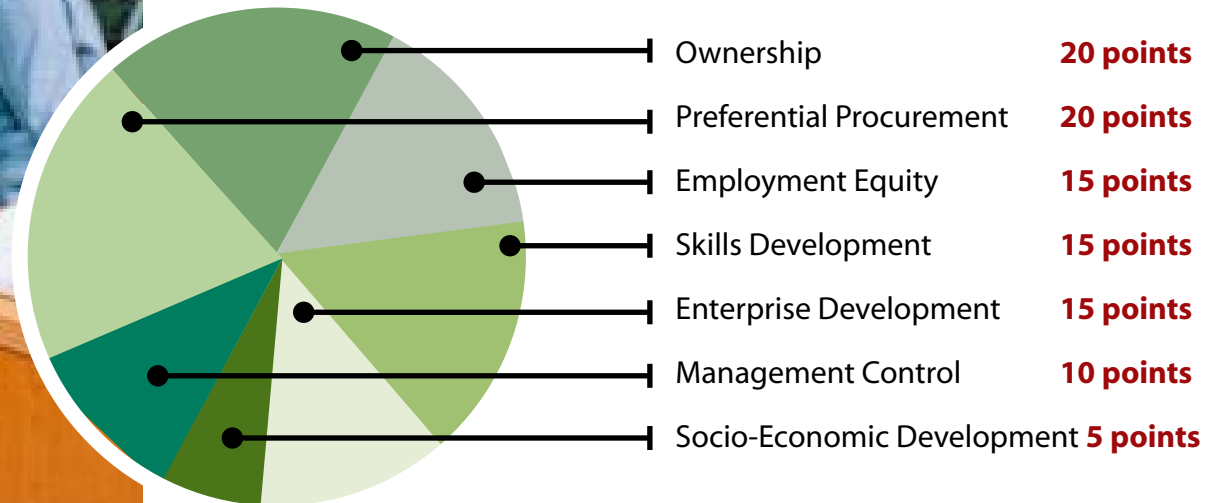


BEE Auditing and Verification

Now with the gazetting of the Codes of Good Practice, the rules for measurement of enterprises had been clearly defined and who the Codes are applicable too. All enterprises have 3 choices for a scorecard depending on their turnover. Companies with less than R5million turnover per annum are considered as Exempt Micro Enterprises (EME) and only need to provide verifiable proof they have turnover less than R5million per annum, the second is a Qualifying Small Enterprise scorecard for enterprises with turnovers between R5million to R35million, where they can choose 4 of the 7 pillars to be scored on. Lastly is the Generic Scorecard for enterprises of R35million or more turnover per annum.

The 7 Pillars

The Generic Scorecard is comprised of the following elements and weightings





The process we undertake for the BEE Auditing and Verification comprises of **4 stages...**

STEP 1 - Assessment >

To assess the current status of Client with a view to giving a report on what the immediate B-BBEE rating of the company could be, so that a decision if/how improvement for each pillar are needed and what goals are to be set for achieving B-BBEE compliance. Included as part of the pre-assessment, would be the training of management on the released and final codes and the auditing process to be undertaken, if required. Once we have completed the initial assessment BEE Online will arrange meeting(s) with various members of management responsible for each element to discuss and advise on the company's current BEE report and sort out any non-compliance issues before the verification and auditing. Please note that this Assessment will be based on interpretation of the facts and will not be consultation.

STEP 2- On Site Audit >

Secondly we arrange planning and training meetings addressing areas of concern or non-conformities. Onsite Audit and verification—On satisfactory completion of the pre-audit process and the completion of the questionnaires, audit date(s) will be arranged for onsite verification. An audit checklist will be provided prior to the audit date. The onsite audit will follow the standard method used by most company auditors with random sampling across all elements. Finalisation of the scorecard, reports and appeals

STEP 3- Scorecard finalisation ✓

The proposed timeline for issuing a scorecard from the date of pre-assessment to final audit is for completion in six weeks, this is dependent on a number of factors such as the time required to compile the necessary documentation and how long supplier verification takes. It also depends on how soon Client will be satisfied with having addressed the non-compliance issues highlighted in the pre-assessment phase of the audit and to proceed with the on-site verification.

STEP 4- Updating □

4BEE Online will also update elements of the Client Companies Scorecard that do not require a new financial audit, those elements are; Ownership, Management Control, Employment Equity and Preferential Procurement. With preferential procurement this will be based on past financial audit however as in most cases companies are becoming compliant with the Codes of Good Practice and getting themselves scorecarded, as this information becomes available it can have a beneficial effect on your own scorecard. The onus will be on Client to instruct BEE Online to issue a new scorecard to reflect changes in the 4 elements indicated above should it be desired. The new issued scorecards will still be only valid for the initial verification period.

Supplier Verification & Reporting:

We conduct a thorough assessment and verification with respect to the Black Economic Empowerment status of all active Client suppliers whose status has not been verified or rated.

BEE Online will conduct this assessment by way of telephone cold calling, email campaigns, and onsite visits where required. It is crucial to the process that full cooperation and support is given to BEE Online and communicated to Client suppliers. Such support includes but is not limited to communication by letter and email, and other means we deem appropriate, for the communication to your suppliers requesting all the relevant information required by BEE Online to complete this process in a timely manner.

BEE Online will identify various types of suppliers to focus on as time will be an issue and effective processing of suppliers information is crucial. The main focus will be to confirm the BEE Status of QSE and Generic Enterprises. We will also focus on identifying those companies with less than R5mil turnover, to maximize the points from EME's (Exempt Micro Enterprises). This should be relatively easy to verify as turnover less than R5mil is the only requirement for verification. In addition to the above our 3rd focus would be identifying 50% Black owned or 30% Black Women owned enterprises as they automatically move up one BEE recognition level, also with the Codes allowing a Transitional Scorecard (only takes into account ownership and management control) for this year makes it faster and simpler to verify these enterprises.

The goal of supplier verification is to get 50% of your total procurement spend recognized as spent thro B-BEE enterprises.



BEE Online clients



BEE Online will provide all information on verified suppliers BEE status electronically in an Excel or text file for importing purposes into your management system, **as well as providing all verified supplier certificates in an electronic PDF format.**

How we do supplier verification

Our supplier verification process has been refined over the past 3 years, through our experiences with such clients as **Grindrod, BDO Spencer Steward and Acer** and we have a dedicated department for supplier verification.

Our process for supplier verification is as follows:

Contacting existing suppliers whose details are provided by the clients, via telephone cold calling, specific E-Mail campaigns, and onsite visits where required to verify facts and hold workshops.

At this stage it is crucial to the process that the clients full cooperation and support is given to BEE Online and that this is communicated to the client's suppliers. Such support includes, but is not limited to, communication via letters and E-Mails and any other means the client and BEE Online deems appropriate for the communication to the suppliers, requesting all the relevant information required by BEE Online to complete this process in a timely manner.

We identify the various types of suppliers as soon possible as time will be an issue and effective processing of suppliers information is crucial.

Each client is given this logo to use on all their marketing →



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3 categories of suppliers

Exempt Micro Enterprises(EME)- One of the priority's to focus on would be to identify those companies with less than R5mil turnover in order to maximize the points from EME's. They are the easiest to verify as turnover less than R5mil is the only requirement for verification.

Qualifying Small Enterprises (QSE) and generic enterprises-our main focus will be, at a minimum, to confirm the BEE Status of every supplier using the 80-20 rule, i.e. in most cases 80% of procurement spend is done through 20% of a company's suppliers.

Black Owned and Black Women Owned Enterprises- With the inclusion of the Transitional Scorecard for this year, it has allowed us use our clients existing information on suppliers who have conducted narrowbased verification, as ownership and management control are the only requirements for a transitional scorecard and is heavily weighted in favor of Black Owned and or Managed companies.

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