

## **CEO REPORT**

- The MOI specifies that SAFI would aim to transform the Furniture Industry as a whole through its value adding activities.
- SAFI will only succeed if the beneficiaries, both our 2300 manufacturers and their approximately 24 000 employees are seeing the evidence of the value that our activities are adding to the profitability, competitiveness and productivity of their operations.
- SAFI has developed a National Database with relevant company specific information of all our manufacturers so that we can understand the demographics of the Furniture Industry and to identify any synergistic opportunities for growth.
- SAFI is investigating the possibility of regional national conferences at the City Halls in Durban, Cape Town and JHB to create a platform for buyers, suppliers, manufacturers , government, SMEs etc.

## **Market Access**

### **SAFI International Exhibitions**

- 100% Design London 21-26th September 2016.
- National Pavilion in Mozambique 25-31st August 2016.

### **Advertising our Companies**

- Creating awareness of the importance of the furniture manufacturers in local S.A. through multiple gate ways.
- SAFI is finalizing a MOI with both Proudly S.A. and Brand S.A. to create market access for our manufacturers and designers through their monthly trade campaigns and exhibitions for both local companies and exporters.
- Proudly S.A. has more than 120k twitter followers and has established it serves as a good corporate citizen for advocacy.
- SAFI has allocated resources for the development of the National Database into an artificial intelligent system that can provide all stakeholders with relevant market intelligence to ensure value adding activities for growth e.g. development of website for smaller SME's, product catalogues, pricing etc.

## **Exports**

- Opportunity exists for us to establish an Export Council for furniture exports.
- Grant funding available from DTI to facilitate the establishment and operational expenses of an Export Council.

## **Government Procurement Spent**

- SAFI awaiting information from DTI and National Treasury on the amount of spends in the sector.
- Challenge to get information on a commodity level within the Furniture Industry.
- SAFI busy developing a tender portal to assist companies that would like to tender for Government business.

## **World Class Manufacturing**

### **Understanding your Costs**

- Partnership with Productivity S.A. was established to do financial viability for different companies of various sizes and to provide companies with an overview of

- Profitability;
- Competitiveness ; and
- Productivity.
- Workshops held countrywide to create awareness of the various programs available for manufacturers.

## **Turnaround Strategies for Manufacturers in Distress**

- The application process for the turnarounds strategies and works plans to be developed by Productivity S.A. would be facilitated through Productivity S.A.
- UIF to pay productivity S.A. 65% of the costs of the strategy and the manufactures are paying 35% which they can pay off to productivity SA as their profitability targets are met.
- UIF contribute up to R2k per employee for every work plan implemented and where training is provided for both management and the technical teams.
- IDC prepared to fund the costs (35%) if necessary.

## **Waste Management Program**

- Proudly S.A. to develop efficiencies in conjunction with CSIR and other experts based on past experience within the Foam Industry etc.

## **Clean Production Program**

- To leverage from the incentives provided by DTI and the work done by CSIR.
- Productivity S.A. to facilitate the process on behalf of SAFI.
- Energy efficiency indicators to be developed by Productivity S.A. for manufacturers to address green concerns issues.

## **Specialized Support Services**

- SAFI in the process to develop value adding toolkits for companies to assist them with generic templates for Finance, H.R, Legal, I.T., Marketing etc.
- SAFI to establish a National Call Centre for all queries relating to the Furniture Industry.
- SAFI to facilitate access to funding for acquisitions, expansion programs , black industrialist programs via DTI and other funding partnerships like SEDA,SEFA,IDC & NEF.

## **Value Chain Optimization**

### **Profitability Studies**

- More research done to get a better understanding of world class profitability models can assist our S.A. manufacturers.

### **Competitiveness Programs**

- Continue to explore more value adding opportunities for the manufacturers in the Furniture Industry.

### **Business Rescue Resources**

- Department in Gauteng Provincial Government (Retentions) established to assist struggling manufacturers through incentive schemes provided by local government etc.
- Link to IDC for finance, electricity accounts in arrears ,SARS overdue payments.

- The establishment of the Cluster Development hub will require SAFI to identify opportunities for optimization for various stakeholders in the value chain.

## **Productivity**

- Continuous improvement programs investigated.

Debbie Don-Pierrot.