

OCTOBER
2025

TURNING POINT

A regular newsletter from Productivity SA's Business Turnaround and Recovery programme

[Case study: When cash flow flags](#) | [Buy local, be proud](#) | [Case study: No sanitising Envirosans](#) | [Bolwa's bold interventions](#)
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EDITOR'S NOTE

Insights from the Business Turnaround and Recovery Programme Executive Manager

October is celebrated in different places as chilli month, cookie month and bat appreciation month, among others, but other themes are more profound. These include bullying prevention month, emotional wellness month and tackling hunger month.

However, in our neck of the turnaround-work-filled woods, we 100% bill October as Productivity Month. A tradition spanning more than four decades, this Productivity SA and its line department the Department of Employment and Labour collaboration promotes employment growth and productivity improvement across South Africa, highlighting them as catalysts for sustained inclusive growth and development and as creators of decent jobs. More than 100 enterprises have been honoured over the years.

For the Business Turnaround and Recovery (BT&R) team, it is a welcome pat on the back for the work we do to nurse ailing companies back to full health through development and implementation of turnaround strategies, so that employment is not only protected, but expanded across the economy.

Campaigns, workshops and seminars form the backbone of Productivity Month, this year carrying the theme 'Ideas to action: Driving impact through productivity and innovation'.

The pinnacle is the Productivity SA National Productivity Awards towards the end of the month. The event acknowledges organisations that are contributing meaningfully to increasing South Africa's global competitiveness.

In addition, it raises awareness of the potential of productivity to grow and develop the economy and promotes outcome-based solutions to boost company growth.

Winners in the four categories of corporate sector, public sector, emerging businesses and cooperatives already enjoy the distinction of impressive productivity levels, so an award is the crowning glory — a well-deserved nod to their efforts and dedication.

As the erstwhile acting chairperson of the Productivity SA board Dr Annaline Chetty said, the awards celebrate the trailblazers of productivity and applaud their unwavering commitment to efficiency, innovation and continuous improvement.

Last year's BT&R top performers were metal fabricator Fabrinox (gold), which increased its gross profit ratio/margin from 11.56%

to 32.56% following BT&R's involvement; printing services provider, Label Lab cc (silver), which expanded into digital and grew its staff complement by 16%, and Makhoba Professional Services (bronze), a leader in network and infrastructure services.

We eagerly await the announcement of the top BT&R performers of 2025, as we have many contenders that have demonstrated their grit under duress and have turned the corner to greater prosperity and sustainability.

Look out for the details in our next issue. And should you need our services to set your company back on track, email us on turnaround@productivitysa.co.za.

We wish you your most productive Productivity Month yet.

Justice Tshifularo

Justice Tshifularo
BT&R Programme Executive Manager

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CASE STUDY

WHEN CASH FLOW FLAGS, IT MAY BE TIME TO WAIVE PAST PRACTICES

by Russel Mailula

When leading below-the-line branding supplier National Flag discovered that importing its gazebo frames from China was not viable and nor was sourcing them locally, the company nailed its colours to BT&R's mast and sought a solution.

Milestones across the years included landing the flags and branding contract for the 2010 FIFA World Cup

Its major red flag at the time was lack of cash flow — a common stumbling block for small and medium manufacturers — and it needed to counteract this by enhancing its general performance.

Established in 1982 as a flagmaking company, National Flag Branding and Event Solutions now offers a comprehensive range of branding materials, including banners, gazebos and display systems. All products are locally manufactured at its 8 000m² factory in Johannesburg.

Milestones across the years included landing the flags and branding contract for the 2010 FIFA World Cup and, in 2013, delivering 22 tons of manufactured goods in seven days to the Democratic Republic of the Congo. The business is also approved supplier for the African Cup of Nations.

The cash crux

Imported gazebo frames not only limited the availability of cash and put the company at risk of delivery delays, but came at a high price due to inflation and exchange rate fluctuations.

National Flag also needed to upgrade its basic website to an advanced e-commerce platform to allow customers to design their products, pay for orders and track progress.

Through the management-staff future forum established by BT&R, a more sophisticated website was developed and launched. A digital marketing tool was integrated with the online offering to enable it to operate in real time and accommodate exchange rate changes.

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WHEN CASH FLOW FLAGS, IT MAY BE TIME TO WAIVE PAST PRACTICES *continued...*

The improvements achieved and boost in business have helped to alleviate a faltering cash flow and put National Flag on a sounder footing.

E-COMMERCE WEBSITE



ISSUE

site was not converting leads into orders



ACTION

integrated platform linked to social media



OUTCOME

increased sales

- United States market penetration (goal is to reach 50 American states in 2025).

ONLINE MARKETING TOOL



ISSUE

no online tool, thus inability to reach the target audience in the United States and resellers



ACTION

tool integrated with new website, offering search engine optimisation and facilitating social media adverts



OUTCOME

- leads generated

- increased sales and profitability

- greater awareness of the company among local and international customers

Change strategies implemented to build corporate culture through employee behaviour, attitude, capability and commitment

Direction set from the top and engagement with people on lower levels

Simultaneous focus on hard (structures and systems) and soft issues (corporate culture)

HIGHLIGHTS

Use of consultants to empower employees

Plan established for spontaneity

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BUY LOCAL, BE PROUD

by Russel Mailula

To strengthen its stakeholder engagement drive, the BT&R team attended Proudly SA's 13th Buy Local Summit and Expo in March 2025. Productivity SA's corporate relations department exhibited to create awareness of the organisation's support for South African businesses.

Point to Ponder

South Africa's 2024 imports were valued at US\$101.24 billion against exports worth US\$110.11 billion, according to the United Nations Comtrade database on international trade. The main import partners were China, India and Germany. Among the top imported commodities were mineral fuels, machinery and electronic equipment.

The Department of Trade, Investment and Competition reported recently that South Africa's emphasis on intercontinental trade saw its exports to Africa increase to R568 billion in 2024 from R545 billion in 2023, while imports rose to R190 billion from R166 billion.

The event, at Sandton Convention Centre, highlighted the importance of assisting local companies, particularly small, medium and micro manufacturing enterprises, not only to retain and create jobs but to reduce reliance on foreign goods and keep the country's Rands where they belong – at home.

Panel discussions were combined with exhibitions showcasing the products and services of hundreds of businesses. Small business workshops shone the spotlight on local procurement, business solutions, legislation and compliance.



Supporting the drive to stay local were BT&R senior productivity practitioners Kenny Ramukhubathi and Siya Sandi with corporate relations' Andrew Mbatha.



Siya established contact with Neno, a Centurion-based manufacturer of sanitary pads.



**PROUDLY
SOUTH AFRICAN**

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CASE STUDY

29 JOBS SAVED

BT&R NOT SANITISING ENVIROSANS SITUATION

By Mhlengi Meyiwa

With a track record of nearly 20 years and a close working relationship with international organisations such as Bill and Melinda Gates Foundation, non-governmental organisations including United Nations Children's Fund and World Vision, and municipalities, Envirosan Sanitation Solutions should have been performing at its best levels and cleaning up. Yet, by 2022, it was struggling and turned to BT&R for answers.

Envirosan specialises in plastic injection-moulded sanitation systems, operating from a head office in New Germany, KwaZulu-Natal. The company had 29 employees at the end of the last financial year.

Having approved the company's application for help in November 2022, the BT&R team swung into action, completing an in-depth assessment of Envirosan's status to reveal the causes of its slump, uncover its strengths and delve into its weaknesses. The bottom line was, simply, that it needed more customers to generate more revenue.



A future forum was established to bring together management and employees, who were then trained in the business ways of Productivity SA and produced a workplan detailing turnaround strategies and required interventions.

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BT&R NOT SANITISING ENVIROSANS SITUATION *continued...*



Point to Ponder

Impact assessments are the compass of the BT&R programme. They tell us not just if a business survived distress, but whether it can sustain growth, preserve jobs and remain competitive long after intervention. Without impact assessment, turnaround is only half complete.

Measuring results helps BT&R confirm that financial recovery has translated into operational resilience and long-term sustainability.



Triple impact Marketing

- Marketing plan and strategy were developed, with dates of planned targets and names of responsible people.
- Detailed sales projections and targets were set clearly, showing the number of sanitation units (Eazysoak chambers) to be sold with Eazysoak endcaps. This facilitated monthly monitoring and tracking to ensure achievement of annual sales target. Other expected marketing strategy impacts are:
 - Understanding the importance of marketing.
 - Becoming a marketing-oriented business.
 - Realising the importance of acquiring 'real' marketing information on potential customers, competitors and direct markets.
 - Staying in tune with the market and its dynamism.
 - Having a plan and direction.

Envirosan sold more than 15 000 units of Eazysoak in the two months before project closure.

Process activity

- Activity was studied to understand the existing process flow for the manufacturing of Eazysoak toilets, doors and products, and to identify possible improvements.
- Data was collected was through interviews, observations and review of documentation.
- Detailed process flow diagrams were created.
- Employees across levels were approached to gain insights into process bottlenecks and inefficiencies.

Website

The website was refreshed with a new look and feel to showcase new product offerings and facilitate promotion of its range on various online platforms. Through renewed appeal, the company will extend its reach and customer base – <https://envirosan.co.za>.

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BOLSTERING BOLWA'S PROSPECTS THROUGH BOLD INTERVENTIONS

Bolwa Security Services is more secure and sustainable than ever following a multipronged intervention by the BT&R team.

Following a BT&R assessment of the state of the business, three projects were instituted:

1. Development of a sales and marketing strategy
2. Focus on digital marketing
3. Implementation of a budgeting tool

The company, which provides security services to industrial and commercial sectors and is owned by Bongani Vetbooi, a veteran of the South African Police Service and South African National Defence Force, joined the initiative in 2023 to address its lack of growth and enhance its chances of future success. At the time, it had 22 employees.

Bongani's commitment to the process, determination to make the turnaround count and openness to new ideas ensured the programme delivered its intended outcomes, according to BT&R region 1 senior practitioner Kenny Ramukhubathi.

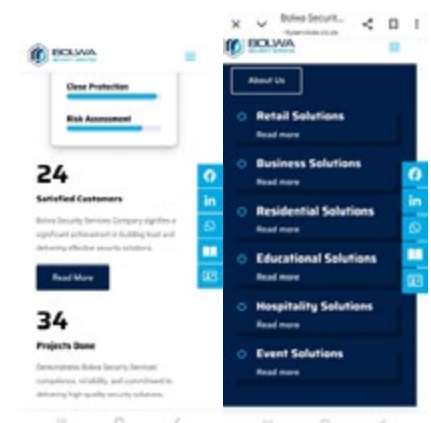
'Bolwa was a great client to service,' he elaborates. 'Bongani participated with enthusiasm and responded with speed. His work ethic is exceptional, which is one of his greatest selling points among customers.'

During the journey, the future forum and productivity champion aspects of the BT&R solution were activated, the former to enhance collaboration between management and employees, and the latter to appoint individuals to drive productivity improvements. By close-out in 2024, the staff complement had swelled to 40. Since then, another 30 recruits have joined

and the company now offers its services in three provinces.



On 22 May 2025, BT&R monitoring and evaluation specialist Lufuno Tshikosi was accompanied by region 1 senior practitioner Kenny Ramukhubathi for an impact assessment with Bolwa's Bongani Vetbooi, during which performance against baseline was discussed.



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CASE STUDY

20 JOBS SAVED

KUSHNER NAVIGATES ROUGH SEAS

By Chriss Bondo

With a pedigree stretching back more than 55 years, African-themed family-wear manufacturer Kushner Retail Investments has certainly earned its stripes, not to mention its spots and safari motifs. But even the most established firms occasionally hit a bump in the retail road.

Delivery beyond expectations

5 Jobs created

20 Jobs saved

25% Employment growth

Headed by the founders' son Craig Kushner, the business has a stellar history, having moved from Oudtshoorn, Western Cape to Gardens, Cape Town in 1991, where it expanded its product portfolio to meet market demand.

Today it also owns retail outlets at V&A Waterfront and Cape Town

Plunging profits

The company experienced a decline in profitability between August 2019 and August 2020 due primarily to a sharper decrease in sales than in cost reductions.

International Airport and has a network of agents catering to local and international customers and tourists.

The Kushner collection includes novelty T-shirts, the Bushtrekker range, Cape Town-branded apparel, African safari prints, technical outdoor wear and children's clothing.

SALES/LABOUR/OVERHEADS



Sales dropped by 35.8%, while cost of sales, labour and overheads decreased by 32.2%, 33.1% and 25.5% respectively. This imbalance negatively affected both gross and operating profit margins.

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KUSHNER NAVIGATES ROUGH SEAS *continued...*



OPERATING PROCEDURES

Lack of standard operating procedures led to unstandardised workflows and deviations from expected deliveries, which caused financial losses.



PRODUCTION

No production planning and tracking system meant management had no information on production order status. This caused in-house delays and missed delivery deadlines.



TARGET MARKET

Ineffective outreach to target market due to inadequate marketing strategy.



PERFORMANCE MANAGEMENT

No personnel performance management system to monitor employee task fulfilment and performance.



OPERATIONAL EFFICIENCY

Storage area disorganisation, including cluttered fabric and pattern storage, affected operational efficiency.

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KUSHNER NAVIGATES ROUGH SEAS *continued...*

The overhaul

The BT&R strategy encompassed standardisation and process optimisation, workforce accountability and performance, operational cleanliness and efficiency, and continuous learning and adaptability.



INTERVENTION

Performance management system and in-house standard operating procedures



ACTION

- Attendance and performance analysis tools developed, considering attendance and work performance. The latter was based on institutional and individual goals, which were subdivided into 10 productivity criteria to assess if employees are meeting expectations
- Standard operating procedures developed and instituted, with training to bring each employee onboard
- Visual management board installed to provide performance feedback to floor personnel



OUTCOMES

- Management took full control of employee performance, facilitating information-based decision-making
- Operational guidelines provided for staff
- Use of standard operating procedures increased on-time in-full performance

Planning and tracking system

- Production and planning tools developed for management and supervisors
- The decentralised planning system allowed for section planning of how a confirmed order would be fulfilled, which would feed into a masterplan for the whole order
- Order tracking tool developed so that supervisors could track real-time progress of orders

- Ease in tracking an order's progress
- Order delays and operational errors avoided

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KUSHNER NAVIGATES ROUGH SEAS *continued...*



INTERVENTION

5S (sort, set in order, shine, standardise and sustain implementation)



ACTION

- A new standardised layout of storage developed to eliminate unwanted elements from the storage area and a rearrangement of the space, including demarcation of the operational floor
- Material storage and handling standard operating procedure developed
- Auditing system introduced to assess conformance to workplace organisation standards



OUTCOMES

- Organised workplace, improved floor agility and more clarity on material location and identification
- Walkways properly defined for ease of personnel movement

BEFORE

13%	workplace organisation index
50%	of orders delivered on time
7.6%	lost or unaccounted-for material
15	external and
10	internal non-conformances



AFTER

89%	workplace organisation index
62%	of orders delivered on time
1.9%	lost or unaccounted-for material
5	jobs created
4	external and
1	internal non-conformances

The turnaround stabilised Kushner Retail Investments, restoring profitability and creating a robust foundation for growth, ensuring the company remains competitive and sustainable.

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KUSHNER NAVIGATES ROUGH SEAS *continued...*

Director Craig Kushner expressed his appreciation:

'Productivity SA training was a great success in opening the eyes of staff to the way things should be done to make a business run well. I, too, learnt valuable lessons about monitoring my business better.'

'It taught all staff the importance of following standard operating procedures to avoid loss of income, which, in turn, could result in job losses.'

'Thanks for all your hard work in reengineering my business.'

BEFORE



AFTER



Workplace organisation before and after BT&R intervention.



Kushner outlets at Cape Town International Airport and V&A Waterfront.

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PERFORMANCE SCORECARD

BT&R interventions continue to make a marked difference to the lives and livelihoods of business owners who have encountered obstacles to sustainability and continued success. By assisting floundering enterprises to turn around and transform their fortunes, the BT&R formula saves existing jobs and creates new opportunities for a healthier South African economy and society. Statistics below are for 2020 to end-September 2025.



Cumulative BT&R target vs actual 2020 to September 2025

326

companies nurtured

3 291

future forum members trained

32 590

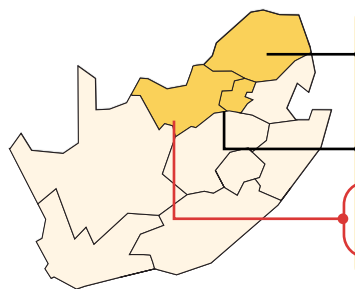
jobs retained
(9 094 for youth)

3 059

new jobs created

Cumulative region 1 - target vs actual

Region 1: Gauteng, Limpopo, North West



129

companies nurtured

1 035

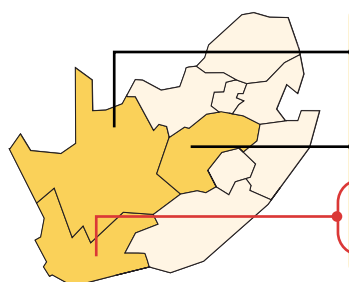
future forum members trained

15 828

jobs retained

Cumulative region 2 - target vs actual

Region 2: Western Cape, Northern Cape and Free State



81

companies nurtured

1 183

future forum members trained

8 827

jobs retained

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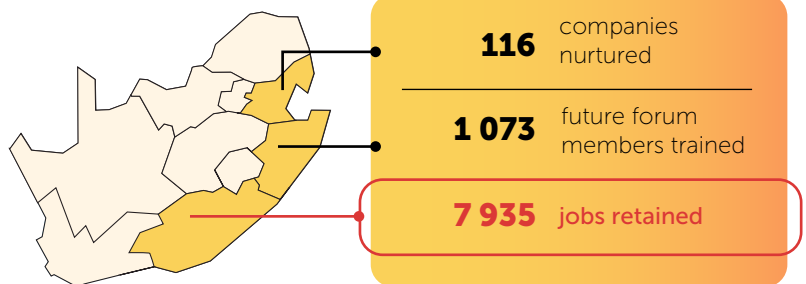
PERFORMANCE SCORECARD *continued...*



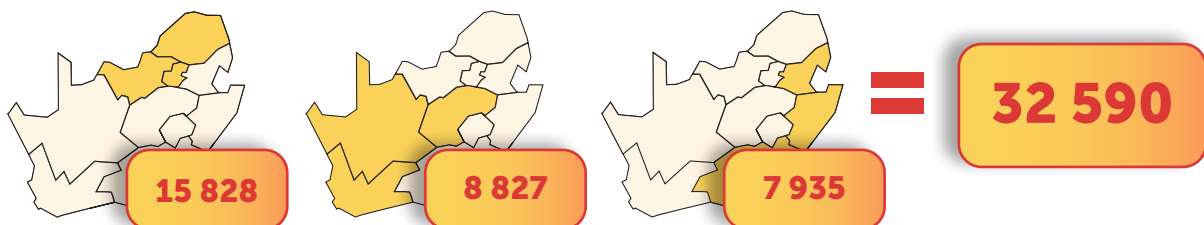
Cumulative BT&R target vs actual 2020 to September 2025

Cumulative region 3 - target vs actual

Region 3: Eastern Cape, KwaZulu-Natal and Mpumalanga



Cumulative BT&R jobs created by province 2020 to September 2025



Projects nurtured and Jobs retained by province

PROJECTS



JOBS



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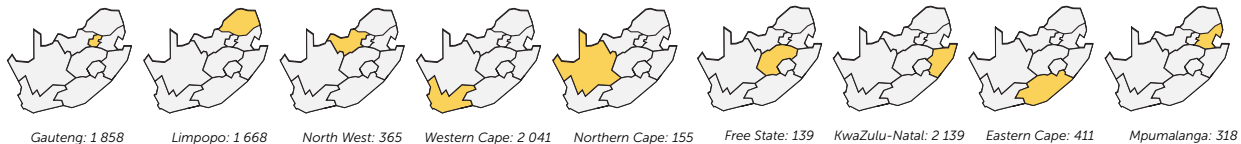
PERFORMANCE SCORECARD *continued...*



Cumulative BT&R jobs retained for youths 2020 to September 2025

9 094 jobs retained

28%



Cumulative BT&R jobs retained for people living with disabilities 2020 to September 2025

1 408 jobs retained

4.3%



Cumulative BT&R jobs retained by gender 2020 to September 2025

MALE

60%

FEMALE

40%

=

AFRICAN

84%

WHITE

10%

COLOURED

5%

INDIAN

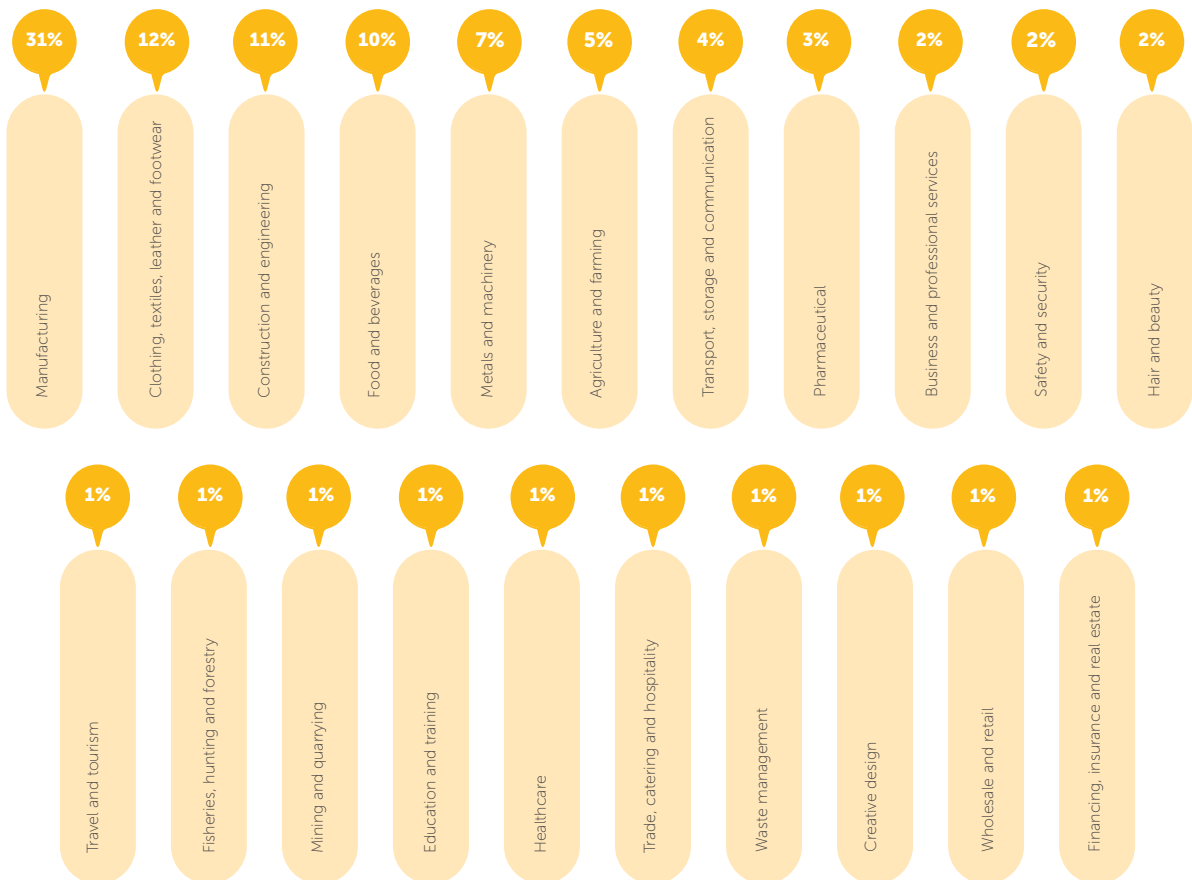
2%

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PERFORMANCE SCORECARD *continued...*



Clients that joined the BT&R programme by operational sector to date



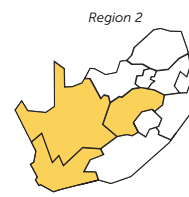
Cumulative BT&R completed projects per region to date

326 Implemented

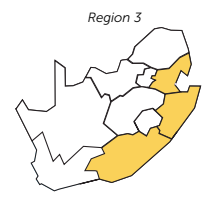
223 Completed



Implemented
129
Completed
76



Implemented
81
Completed
62



Implemented
116
Completed
85

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All the BT&R info you need



Our offering

- Assistance provided across the South African economy.
- Service available to any enterprise in distress, irrespective of size, industry or location.
- No limits to services provided to deserving companies (including skills development and training).



Who we benefit

All businesses that play a role in transforming South Africa and contributing to growth. The country's broad-based black economic empowerment strategy seeks to grow the economy, giving every demographic an equal opportunity to contribute.

Turnaround-assisted businesses

62% 30% 8%



Businesses of people living with disabilities

48% 13% 39%



Men Women Multi-shareholder companies

- Operational for at least two years
- Financially and/or operationally distressed
- The last two years' financial statements
- South African Revenue Service (SARS) pin to confirm SARS and Unemployment Insurance Fund (UIF) compliance and validity
- UIF-stamped UI19 forms/EMP201 full report.



Our top five sectors



31% Manufacturing



12% Clothing, textiles, leather and footwear



11% Construction and engineering



10% Food and beverages



7% Metals and machinery



Steps to securing support

- Email Productivity SA at turnaround@productivitysa.co.za or visit a regional Productivity SA office (see below).
- A business turnaround practitioner will explain the programme and qualifying criteria, provide the application forms and outline how they must be completed.
- He or she will ask for financial statements, EMP201 full report and SARS pin.
- A comprehensive assessment of the state of the business will be done to determine whether the company is a suitable candidate. This will include a site visit.
- Once all documents have been completed and supporting information received, a further assessment will be done to determine the financial position of the organisation.
- A nurturing report will be compiled summarising the causes for distress and possible mitigation strategies to correct the situation.

**All the preparatory work, from beginning to end, requires full client participation.*



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